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FINANCIALTIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,916

Tuesday April 29 1986

D 8523 B

World news

EEC cash squeeze faces may split £149m

EFC Finance Ministers were warned that cuts of Ecu 500m (\$488m) in 1986 and Ecu 1bn in 1987 would have to be made in EEC programmes to keep spending within the legal limit on Community reve-Even then, the combined needs of

Community hostile bid

the Common Agriculture Policy and the funds for social and regional DOLLAR fell in London to DM 2.1640 (DM 2.1810), FFr 6.8075 (FFr spending were set to make a non-sense of the ministers efforts at imposing budgetary discipline on the European institutions. The squeeze on Community pro-

grammes seems certain to open a deep divide between the member STERLING rose 0.75 cent to close at states. The 12 Finance Ministers \$1.3555. It also rose to DM 3.365 (DM 3.355), FFr 10.73 (FFr 10.685), SFr 2.8125 (SFr 2.8025) and Y260 yesterday failed to agree on whether the likely overrun in farm spending should be considered "ex-ceptional" or not. Page 2

Tunis reshuffle

Tunisian President Habib Bourguiba appointed a new Interior Minis-ter in a reshuffle that also rearranged the economic portfolios in his cabinet. The reshuffle was the second this month.

Suspect arrested

Domingo Iturbe Abasalo, wanted in Spain as a suspected leader of the Basque separatist movement Eta, was arrested in France. Eta said it was responsible for a Madrid car bomb attack last Friday in which five paramilitary civil guards were killed. Arrest, Page 3

Pacific talks call.

Soviet Union called for talks aimed at keeping the sea lanes in the Pa-cific open to all countries.

Health liability

A judge in Boston, Massachusetts, niled that the warnings on cigarette ackets did not protect tobacco ompanies from product Hability awsuits. Page 6

Greek official quits

Kostas Isimas, a senior official of he Greek Pubbe Order Ministry resigned after the Socialist Government was criticised for failing to eatch guerrillas who killed Dimitris April 8.

2,500 missing' Odd Grann, general secretary of the

Vorwegian Red Cross, said 2,500 people were missing after a dam gave way in Sri Lanka last week and authorities there had underestimated the extent of the disaster.

Rebels 'killed 172' Mozambican right-wing rebels said they killed 172 government soldiers,

captured a town and a government soldiers, position and seized a train carrying supplies in recent attack. provinces. Priest expelled

Mauritius has expelled a French Roman Catholic priest, accusing him of "undesirable activities," according to Bishop Jean Hargeot, the leader of the country's 300,000 Catholics.

Porcelain prices

The first day of Christie's Hatcher porcelain sale in Amsterdam, of an 18th-century cargo recovered from the South China Sea, fetched prices five times as high as expected. Arts Page 23

Texas slavery trial

A prominent Texas family, accused of kidnepping hapless drifters to work at their ranch, goes on trial to-day in the state's first criminal slavery case since the Civil War era.

Hirohito at 85

Japan today commemorates the 60th anniversary of the reign of Emperor Hirohito, the longest im-perial rule in Japanese recorded and mythological history. He is 85 today. Page 5

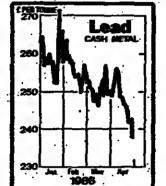
Wedgwood

Business summary

LONDON International Group, UK consumer and rubber products business, launched a £149m (\$229m) hostile bid for Wedgwood, pottery and china maker whose indepen-dence has survived more than 225 years. Lex. Page 26; Details, Page 26; News Analysis, Page 2; Lundon market report, Page 50

2.1040 (DM 2.1040), FF 1.8075 (FFF 6.9475), SFr 1.8080 (SFr 1.8215) and Y167.15 (Y168.15). On Bank of England figures, the dollar's index fell to 113.2 from 114.1. Page 43

(Y258.5). The pound's exchange-rate index rose 0.5 to 76.4. Page 43



LEAD cash metal price, which ha been falling steadily because of over supply, fell in London to a 10-year low of £237.75 a tonne, down £2.75. Page 42

GOLD fell \$0.25 to \$344.75 on the London bullion market, It also fell in Zurich to \$343.60 from \$344.25.

RUBBER trade launched a futures contract in London based on a rub ber price index in an attempt to late back Far East business. Page 42. WALL STREET: At 3pm the Dow Jones industrial average was 1.74 lower at 1,833.83. Page 50

LONDON: Blue chips were sought but most issues were quiet. The FT Ordinary share index gained 7.4 to 1,365.30 while the FT-SE 100 added 6.2 to 1,628.80. Gilts were lower.

TOKYO: Shares advanced only modestly in dull trading. The Nikkei average gained 50.50 to 15,757.93. Page 50

UN officials estimated that the or ganisation's immediate cash short-fall was \$75m in an annual budget of about \$830m. Page 6

ISRAEL'S net foreign debt dropped to \$19.3bn at the end of 1985, put ting an end to a consistent upward spiral that started with the oil crisis of 1973, Page 5 ---

GREEK central bank governor Dimitris Chalikias urged a relaxation of controls on the economy to constabilisation measures.

LA FONDIARIA, Italy's seventh in Forence, announced a 44.1 per cent rise in after-tax profits to L71.96bm (\$48.04m) and a rights issue that will raise L.121.8bm in new

DEMERGER Corporation failed to win control of Extel, financial and sporting data group. Page 32

INCHCAPE, diversified UK-based trading group, blamed a £32.7m fall in taxable profits to £46.2m (\$89m) last year on currency mover and losses in south-east Asia. Lax, Page 26; details, Page 32

MORGAN STANLEY, the New York investment bank that went public last year, achieved a substantial first-quarter earnings gain of \$58m compared with \$17.8 m in the same period last year. Page 27

KAUFHOF, West Germany's sec ond biggest retail group, proposes to raise its 1985 dividend to DM 7 from DM 6.50 a share after slightly increasing net profit. Page 27

Moscow admits to

SCANDINAVIA DETECTS HIGHER RADIATION LEVELS

Ukraine N-plant accident, injuries

BY OUR FOREIGN STAFF

A SOVIET nuclear power station in the Ukraine has suffered a serious accident, resulting in casualties, the official newsagency Tass said yes-

One of the four 1,000 MW reactors at the giant nuclear plant at Chernobyl, north of Kiev, was dam-

The Soviet admission came only hours after a wave of increased radioactivity had been detected far to the north in several Scandinavian

Early yesterday, the Soviet atom-ic energy authority had told the Swedish embassy in Moscow that it knew of no nuclear accident on So-Tass later said, "Measures are be-

quences of the accident. Aid is begraphite-moderated type known as ing given to those affected." ing given to those affected."
The alarm was first sounded in appeared to be a meltilown of nu-clear fuel in a reactor core. The ra-Because of the facility with which



The four 1,000 MW reactors at Chernobyl are all of the unique Russian-designed, water-cooled, ing taken to eliminate the conse- Russian-designed.

The RBMK was designed as a du-Sweden, where the country's chief al-purpose reactor, producing plutonuclear inspector said the accident nium for nuclear weapons as well

distion spectrum was not that asso- the RBMK produces photonium, the ciated with a nuclear weapons test. Russians have never permitted exThe accident is a serious blow to ports. Neither have they permitted the Soviet Union. The Soviet energy its inspection by the safeguards diprogramme depends heavily on a vision of the International Atomic rapid increase in nuclear power Energy Agency.

over the next five years to replace At least 14 RBMK-type reactors oil-fired power stations.

At least 14 RBMK-type reactors are in operation in the Soviet

Paris and Tokyo ready

to act against terrorism

LEADERS of Japan and France, independent foreign policy was not sored terrorism, as opposed to indi-pitherto relaciant to devote time at compromised.

The statements suggest that rise.

both now signalled their readiness securing a summit commitment to Mr Nakasone insisted that Japan's

to seek stronger international costronger moves against terrorism, response had been "most approprioperation from the discussions in although be is unlikely to persuade ate." The Government bad instruct-

elaborate on how he might mediate between the US and those nations

But he did hint at some personal

sympathy for the US standpoint in

ent Reagan may succeed in

his allies to join in economic sanc- ed Japanese companies not to take

At a lunch with foreign corre- commercial interests from Libya

staff members.

spondents at his official residence and "this has been observed," in

in Tokyo, Mr Nakasone declined to. that Japan had entered into no new

Union, including one at Ignalia in Lithuania of 1,500 MW output, claimed to be the world's biggest

Speaking before the Soviet admission of the Chernobyl accident, Mrs Birgitta Dahl, the Swedish Energy and Environment Minister, said the wind direction suggested the source of the radiation to be around the Black Sea.

"We have not received any early warning, and that is not acceptable. There are international agreements on how to act in such cases," she

According to a spokesman for the Swedish nuclear power station at Forsmark, where the extra radiation was first detected, the level of radioactivity detected in Swedeo was not considered dangerous and was only four times higher than normal background radiation.

During the day, control stations across Scandinavia, in Finland, Norway, Denmark as well as Sweden, reported above-normal radioactivity levels. It remained unclear how prevailing northwest winds had carried the Chernobyl radiation so far and so fast, if as Tass eventu-

From an economic standpoint

substantial business contracts with

Libra Moreover, the Libran diplo-

matic office in Tokyo had only four

Mr Nakasone did not leave the

Continued on Page 26

Continued on Page 26 China N-power plan, Page 9

France trims rates to stem capital inflow THE Bank of France yesterday cut The dollar remained weak yes-

its key money market intervention rate by % percentage point to 7% per cent after large capital inflows into France in the wake of the franc's devaluation within the European Monetary System three weeks

The reduction - the second in two weeks - is intended to damp down capital transfers, which threaten to push the growth in money supply beyond the 5 per cent limit set by Mr Edouard Balladur, the new Finance Minister. Authoritative estimates suggest

that total flows of capital out of West Germany since the EMS realignment on April 6 have ap-proached DM 20hn. Most of those funds have been channelled to France as a result of the relatively high yields on French deposits and

The outflow of funds has clearly seen one factor behind the Bundes bank's reluctance to cut domestic interest rates further - a policy that was applanted yesterday by the five leading West German economic institutes in a warning against the risk of higher inflation.

The French Ministry of Finance and Bank of France have only limited room for manoeuvre to cut interest rates for fear of provoking increased credit demand. That might provide an alternative source of up-ward pressure on the money supply and also risk an upsurge in the inflation rate, which the Government sims to reduce further to 2.3 per cent this year from 4.7 per cent in

Yesterday's modest cut in the central bank's intervention rate, which sets the tone for interest rates across the money market, seems to have resulted from a tacit understanding between French and West German monetary authorities.

bank argued that it was up to the Berlin, Kiel, Essen and Munich, ad French to make the next move in terest rate cuts.

reserve requirements to try to guard against overshooting of the monetary target. That complemen-tary tightening has been criticised by some industrial borrowers as preventing companies from benefiting from lower credit costs, as had been hoped in the wake of the de-

terday as the markets looked nervously forward to the outcome of pext week's economic summit in Thkyo. It traded against the D-Mark as low as DM 2.152, but leapt to DM 2.186 when it was learnt that the Bundesbank had intervened to buy dollars. It then fell back to end in London at DM 2.164, over 11/2 cents lower than its Friday close. Sterling gained 1% cents against the dollar to end at \$1.5555, while the Bank of England's effective exchange-rate index ruse by 0.5 to 76.4. Against the yen, the dol-lar traded as low as Y166.55 before settling in London at Y167.15, down 1 yen from Fri-

Big French banks cut their base nding rates to 10.1 per cent from 10.6 per ceot 10 days ago, but in inflation-adjusted terms. French interest rates for most medium-sized and personal borrowers have still not started to come down.

The D-Mark closed last night in Paris at FFr 3.1870, very close to its new EMS floor of FFr 3.1837 from which it has barely moved in the three weeks since the realignment. The French interest-rate cut had little effect on the foreign exchanges and one Paris dealer said the oew French Government was still "groping" with the dilemmas posed by the large inflows of The five German economic insti-

tutes' support for maintaining domestic interest rates, contained in their latest six-monthly assessment of the West German economy, will provide timely support for Chancel-ior Helmut Kohl and his Finance Minister, Mr Gerhard Stoltenberg, at next month's seven-nation sum The West German central bank mit in Tokyo. They are expected to last Thursday left its discount and come under pressure to follow the Lombard rates unchanged. In view of large monetary outflows from Washington and Tokyo.

The institutes, from Hamburg,

French to make the next move in mit that such a measure - which the latest round of international into avoid last week - might give ex-The Bank of France already cut tra impetus to economic growth, exits intervention rate by % point with perfed to reach 3.5 per cent in 1986. effect from April 15, but it also in-creased French banks' minimum see that.

But they argue that German monetary growth is already above target and far more than adequate to finance the anticipated expansion of the real ecocomy. "If this Continued on Page 26

Feature, Page 24; Reagan in Indonesia, Page 25; Money markets, Page 24

66 SAA certainly lived up

to its reputation

of efficient and pleasant

cabin crew

writes a travel expert in one of many

unsolicited letters received recently

Only SAA fly to and from South Africa via

connections throughout the UK, Ireland

All SAA daily flights to Jo' burg depart

and Europe.

London Heathrow Terminal 1, for fast easy

Heathrow 1800 hours, year round.

and excellent food. 99

Swiss face new call to clean up their banking act

fight-back, Page 25

THE RUMPUS within Swiss banking provoked by the Government's order to freeze the assets of Mr Ferdinand Marcos, the deposed Philippines president, had barely started to die down when last week Mr Pierre Languetin, the presideot

of the Swiss National Bank (SNB), stirred things up again.

The banks, he suggested, needed to tighten their checks against dirty money from abroad.

The Marcos case had exposed a

eakness in the convention de diligence, the gentlemeo's agree-ment with the SNB under which the panks undertake not to assist illegal capital exports from foreign countries and to check carefully the wnership of the funds placed with hem, Mr Languetin said.

To make the agreement more watertight it would be "desirable to reconsider the role played in this field by people bound by profession-al secrecy, be told the annual meeting of SNB shareholders.

Mr Languetin's pronouncements are always diplomatically couched and sometimes shadowy but this time his remarks touched the heart of Swiss banking secrecy. Swiss lawyers and members of the Swiss trustees association in-

voke legally imposed professional secrecy to avoid disclosing their clients' oames. The bedrock of Swiss bank secrecy is the Banking Act, which stipulates that any infringement of secrecy is punishable by n prisoo sentence and/nr fines. Complementing that professional secrecy is the banks' agreement with the SNB to police their own de-

posit-taking and fund-managing activities. The agreement is one of the moral shields for Swiss bank secrecy against charges that the banks offer a haven for criminally derived funds from abroad.
Other shields are the Swiss law on international mutual assistance in criminal matters and treaties.

such as that with the US, providing for legal assistance in criminal cases - not tax evasion, it must be The SNB bas said for some time

that it does not want to prolong the gentlemeo's agreement with the banks, which is due to expire in September 1987. It bas su that the obligation to check the sources of funds should be given a sounder legal basis by incorporatng it into the Banking Act. The banks oppose that proposal.

A matter that perturbs the SNB

is that identification of the true owners cannot be guaranteed when

Continued on Page 26

Japanese lift share of Europe's car market to record 11.3%

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT, IN LONDON

BY JUREK MARTIN IN TOKYO AND DAVID MAISH IN PARIS

President François Mitterrand of with publicly expressed reserva-France, meanwhile, said he was tions about its strike against Libya.

in the international fight against sympathy for the US standpoint in terrorism, provided that France's, his observations that state-spon-

mit to the subject of terrorism, have Preside

Mr Yasuhiro Nakasone, the Japa-

nese Prime Minister and summit

host, said yesterday that he would

explore "all angles" in pursuit of an agreement to counter terrorism.

France, meanwhile, said he was

prepared to consider military action

1	TOYOTA and Nissan overtoo
ı	BMW in the West German new ca
Į	market for the first time in the first
Ì	quarter of this year and beloed t
١	lift the total Japanese share to
ł	record 11.3 per cent. Flat of Italy was European man
ł	ket leader in the January-March pe
	riod and seems likely to maintai
1	that position for the first half-wear

that position for the first half-year.
But Volkswagen-Audi of West
Germany is about to take over Seat from the Spanish Government and Seat's share - 1.4 per cent in the first quarter - will almost certainly ensure that for 1988 as a whole, the enlarged West German group keeps the European title it won for the first time in 1985.

The fact that both Toyota, largest of the Japanese antomotive groups, and Nissan, the second-largest, passed BMW in the first quarter stems as much from the West German company's weak performance as much as Japanese strength.

However, the Japanese as a appeal to markets such as Ger-

	1985	1984
Total volume 2,7	000,88	2,913,000
Narket si	peros ,	40
Fiet	12,8	13,1
VW-Audi	12,1	12.0
Ford	12.1	11.1
General Motors		
(Opel-Vauxhall)	12.1	11.
Peugeot-Citroën-		
Talbot	11.5	11.4
Nonauk	11.2	9.4
BL (Austin Rover) Deknier-Benz	3.9	3.1
(Mercedes)	3,6	3.7
Toyota	2.3	. 21
Missari	2.5	2.7
BMW	2.6	2.7
Total Jagenese	9,8	11.2

group have been able to make more many, Austria and Switzerland, headway recently in every Euro- which are very concerned about the

ed Nations; Sudan 24 join big league 27

not reflecting the appreciation of the yen.
Toyotz, with the help of new Corolla and Celica models, is gaining the most ground and this year seems likely to beat its arch-rival Nissan in Burope for the first time. BMW's main problems are in its

domestic market where it is being squeezed by Daimler-Benz, which has introduced in quick succession a new "small" 190 Mercedes range and new medium W124 models. Such is the strength of the D-B product range that the company moved ahead of Ford in the West German market last year and re-mained there in the first quarter of

The speed of BMW's slide can be gauged from the fact that in the first quarter of 1984 it had 7.2 per cent of the German market and a 3.3 per cent share in Europe as a

Although the company has been able to compensate by expanding export sales - and remains short of capacity, particularly for the 3-se-

Continued on Page 26



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pean car market for a combination of reasons: styling more acceptable which in the first quarter were still

China: trying to master art of South Africa: Afrikanerdom

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CUTS OF Ecu 500m (5320m) next year will have to be made or social programmes, or new in EEC programmes to keep policies like the promotion of spending within th legal limit on Community revenues, EEC finance ministers were warned

Even then, the combined needs of the Common Agriculture Policy and the funds for than Ecu In by the Commissocial and regional spending sion and the biggest item in are set to make a nonsense of the ministers' efforts at impos
"exceptional" or not. ing budgetary discipline on the European institutions.

The squeeze on programmes, spelt out yesterday by the European Commission, seems certain 10 open a deep divide

between member states this year and Ecu 1bn (£640m) whether to cut farm spending. bigh technology research.

The 12 finance ministers yesterday failed to agree whether the likely overright in farm spending—estimated at anything from Ecu 1.4bn to more

Unless the excess is classified as exceptional, it will violate the rules on budgetary disci-pline laid down by the min-isters last year. Regular spendINDUSTRIAL ontput in the European Community was running more than 3 per eent ahead of a year ago at the end of February, accordlng to the latest figures pub-lished by the Commission yesterday, writes Paul Cheese-right in Brussels. Production levels show an increase com-pared with Desember and

exhausted th money allocated under that system.

The renewed budget crisis, coming only three months after member states increased their

January when output flattened

out after the 1985 peak touched in November.

Because production was abnormally high in September, October and November, the longer-term indicator of output levels, matching three months' averages, is slightly down. But the rising trend of ontput, evident since the end of 1982, is continuing.

1 per cent to a 1.4 per cent VAT ceiling (a theoretical formula based on that percentage in each member state of a common basket of goods and services). Is set to come to a bead with

sion later this week.

Mr Henning Christophersen, the Budget Commissioner, presented figures yesterday suggesting a spending gap this year of Ecu 898m, even after the supplementary budget. That gap could be reduced to Ecu 500m thacks to underspending of some Ecu 400m in 1985, he said. The same figure more than Ecu 1bn in 1987, be

The Commission's supple-mentary budget will virtually exhaust the VAT celling for

the presentation of a supple-meotary budget by the Commis- Mr Christophersen's figures: it will include Ecu 1.665bn for Community programmes and a further Ecu 753m for budget rebates for the UK, Spain and

The farm spending excess, added to only marginally by last week's farm price fixing. was put at just under Ecu 1.4bn -based on an Ecu-dollar exfor the excess of likely spending over the VAT revenues was mission admits that the cost would rise a further Ecu 650m if the current Ecu-dollar rate persists, because of the in-creased cost of farm export

Enthusiasm wanes in Europe for reviving the WEU

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT

FOREIGN AND defence ministers from the seven members of the Western European Union amid signs that the revival of their organisation set in train two years ago is fast losing

Plans to give a new lease of life to the WEU, which involves Britain, France, West Germany, Italy and the Benelux states in treaty arrangements dating from the early 1950s, are being greeted with little enthusiasm by the ministers. The decision Enropean security co-operation

It was being suggested un-officially yesterday that several proposals designed to give the Senior partner. This, is turn, well greater purpose will be shelved at the Venice meeting, which ends tomorrow. In particular, it appears that the ministers are not yet prepared to address the possibility of enlarging it, despite applications by Portingal, Spain, Turkey and Norway to join.

This could bring the ministers are retained or ganisation on the Norway to join.

This could bring the ministers are retained or governments, led by Britain and the Netherlands.

is also meeting in Venice this week and which favours enlargement and a more purpose-ful image for the WEU as a

Neither are the ministers apparently prepared to give more than a background, in-formational role to the three WEU agencies which have been. reformed and re-staffed in the past year in preparation for a more positive role.

Several delegations to the Venice meeting privately admit their declining enthusiasm for the organisation. Publicly, how-ever, their spokesmen say that

of foreign and defence ministers two years ago of WEU forming Nato's European pillar. The first problem has been the difficulty of defining what this meant in practical terms, particularly in the light of effective opposition to any such concept from the US. Nato's senior partner. This, is turn, has divided the WEU's members about the advisability of reactivation reinforcing doubts, in the British Government in particular, about the impact of

There appear to be three

principal reasons for the lack of enthusiasm towards the re-activation of the organisation.

which was intended to be the vehicle for strengthening Euro-

pean security co-operation within the Atlantic alliance.
Although the revival has always been attended by caution; there was much talk at the Paris and Rome meetings.

This could bring the ministers Britain and the Netherlands, into conflict with the WEU's are worried that the newly-parliamentary assembly which strengthened agencies of the WEU will duplicate work already being done elsewhere within Nato, or in the case of European armaments collabora-tion, within the Independent which by coincidence met at the level of defence ministers

yesterday in Madrid. The ministers six point agenda for the two-day meeting includes discussion of East-West relations and European security and arms collaboration. It is not yet clear whether they will-discuss the problems of security in the Mediterever, their spokesmen say that ranean end the perseived it is too early to judge the terrorist threat there, as Italy

Allies seek to pool work on new military aircraft

BY DAVID WHITE IN MADRID .

sented, including Mr Andre applied. Giraud, the new French Defence The m

Instead the work is to be undertaken within the existing

Mr George Younger, the British Defence Minister, said It was boped that some research and overbead costs on the fourand overbead costs on the four-nation European Fighter Air-craft and on France's Rafale-fighter project could be shared. He said it had been made clear at the IEPG meeting— the third to be held at minis-terial level—that France was not prepared to re-enter the European project alongside the UK. West Germany, Italy and Spain. There ought to be scope for joint work, however, on

DEFENCE MINISTERS of the European members of Nato agreed yesterday to set ap a French-motivated study aimed slote areas of co-operation in at pooling efforts on military defining requirements, developaircraft projects.

However, the original French standards, and joint testing proposal of a special new blody hational armaments directors to co-ordinate plans in this field are also to be instructed to bring proposal by histographic areas where the same approach might be: 13 countries repre the same approach might be

The ministers agreed to press ahead with co-operation in other fields, including the follow-up to February's London conment beads. Another conference is due to be held in France next spring.

They also called for further work on a joint command, con-trol and communications network. A firm decision on a Euro-pean Data Distribution System is due to be made at their next meeting in early 1987. In the interim, the group is to meet at state secretary level in Madrid in the autumn.

Mr Younger said that the opinion of the US and Canada on this project would be sounded out before a decision

West German politicians to interfere in Austria's affairs contravened the conditions of Austria's state treaty signed in 1955. This guaranteed its independence after 10 years of occupation by British, French, US and Soviet troops in the aftermath of the Second World War.

Dr. Waldheim has been at the centre of an international row

Dr. Waldheim has been at the centre of an internationat row following allegations, which he has always denied, that he was implicated in Nazi atrocities in the Balkans during the war.

Dr. Steyrer predicted that the election would be very close, saying that Dr. Waldheim had only a 2 per cent lead. An independent poll published yesterday, however, shows Dr.

Waldheim's election rival attacks Kohl intervention

BY PATRICK BLUM IN VIENNA

DR KURT STEYRER, the Socialist candidate in Austria's presidential election on Sunday, bas—sharply—criticised Mr Helmut Kohl, the West German Chancellor, for interfering in bis country's affairs

his country's affairs.

At the week-end Mr. Rohl said at a rally of the conservative People's Party, which supports Dr Kurt Waldheim for the presidency, that he was shocked by the allegations against Dr Waldheim. He described the latter as "an old personal friend" and a great patriot adding that he would know how to vote if he was an Austrian.

an Austrian.

Dr Steyrer said yesterday: "I think that at this sensitive stage in the campaign it was not very tactful for Mr Kohl to interfere in Austria's internal affairs." Mr Kohl's predecessors as Chancellor had shown "more tact and greater aensitivity." He said that any attempts by

independent poll published yes-terday, however, shows Dr. Waldheim with a 7 per cent lead, enough to give him a chance of winning the necessary absolute majority on Sunday. Failing that, a second round will have to take place early in June.

FAO plea on food surpluses

A SENIOR United Nations official suggested yesterday that funds now used for supporting farm surpluses in Europe be channelled toward development in African countries, AP reports from Istanbul Mr Edouard Saouma, director-general of the Rome-based UN Food and Agriculture Organization, told delegates from 29 countries that "the crisis in the north could provide a real opportunity to get to grips with the problem of hunger in the south." Mr Saouma said Third World

exports are sold at unstable and unprofitable prices and face rising protectionist barriers in

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Economic package puts Oslo Government in jeopardy

A CABINET crisis is looming values on the Oslo Stock if a cabinet crisis is to be in Norway over the Government's emergency package of spending cuts and tax increases. Mr Kare Willoch, companies except Norsk Hydro crisis now, but the former bas

TO THE POST WITH

increases. Mr Kare Willoch.
the Conservative Prime Minister. has warned that his government will resign if the measures are defeated when Parliament votes on them, probably today.

In order to secure a majority, he needs the support of the opposition Labour party and may be forced to increase taxes usual parliamentary ally the In order to secure a majority. he needs the support of the opposition Labour party and may be forced to increase taxes on share profits in order to obtain it.

That prospect sent share

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The prospect sent share sha

sioo of measures designed to put more of the extra tax burden "on the shoulders of

Bargaining about changes in the package to make it more acceptable to Labour started companies except Norsk Hydro were down from Friday's insisted that the Government through the weekend. Labour from share trading the change levels.

The Government's package port. That price is the inclusive surfax on high incomes, to be revenue, nor would it have the effective for 1986 only and to be levied on gross income. This Mr Willoch could not concede and offered to increase the tax

Since Oslo share values have been moving down ever since last week and continued currectly making any profits "soak the rich" effect desired by Labour. Late yesterday afternooo its parliamentary group was still considering whether to accept.

> Mr Kare Willoch (right): threatened to resign package defeated



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ABBEY NATIONAL BUILDING SOCIETY, ABBEY HOUSE, BAKER STREET, LONDON NWT 6XL

BY ANDRIANA IERODIACONOU IN ATHENS

ane

of Greece, Mr Dimitris
Chalikias, yesterday called for a sweeping liberalisation of According to the report labour, wage, price, banking and taxation rules to supplement and consolidate the economic stabilisation measures introduced by the Government last October. These were intended to bring down inflation and reduce external and domestic

Bank's annual report on the economy, which is traditionally used to tell the Government unpalatable economic truths. The report for 1985 urges the abolition of restrictions on layoffs, of price and credit controls and of profit cellings. It criti-cises the system linking wages to inflation introduced by the Socialsts in 1981 and thinks wages should be linked to pro-ductivity.

Arguments are also advanced against the continued bank financing of the several dozen ailing companies which have been taken over by the state to preserve jobs. It recommends radical tax reforms, partly to eliminate disincentives to invest. ment and work. The Bank notes that the

economy has started to show gradual signs of responding to the October stabilisation measures. They included a 15 per cent devaluation of the drachma, a tight wage policy

According to the report

According to the report Greece's current account deficit in the first two months of this year fell to \$488m (£316m) from \$737m (£478m) a decrease of 33 per cent relative to the same period in 1985. The improvement, the report concedes, is partly due to an increase in transfers from the EEC and the drop in oil prices. But even excluding these But even excluding these factors, "the adjustment pro-cess of the balance of payments

is under way."

The consumer price index over the two months rose by 4.8 per cent, which, if seasonally adjusted, corresponds to an annual inflation rate of 16.5 per

The Bank of Greece strongly The Bank of Greece strongly implies that, given the drop in the oil price, the Government should be able to improve on its targets of a 16 per cent inflation rate, a \$1.7bn current account deficit, and a reduction of the public sector borrowing requirement by 4 percentage points relative to GDP for 1988.

Greece is formally bound to meet these targets in order to meet these targets in order to secure the second tranche of negotiated with the EEC last November to help the country over its balance of payments

IEA presses for Irish energy saving policy

International Energy Agency (IEA) has urged Ireland to adopt a comprehen-sive energy conservation policy

particularly in the industrial sector at the same time as continuing its efforts to boost oil and gas exploration. The Paris-based agency says in a report published yesterday, that the conservation remains the weakest point of Irish year 2000. During the same energy policy, it notes that period, indigenous production while Ireland has succeeded in of solid fuels, mainly peat, and reducing its dependence on natural gas are both expected

imports are in the longer term expected to increase again.

Net oil imports are currently forecast: to rise from - 4:23m tonnes of oil equivalent (mtoe) in 1984 to 5.7 mtoe a year by the end of the century. Coal imports are also expected to rise significantly from 1 mtoe in 1984 to 2.74 mtoe in theto fall at an annual rate of 0.9 developing natural gas use and per cent and 18 per cent res increasing coal imports; net oil - pectively,

Alleged Eta leader questioned in France

THE ALLEGED leader of the Basque separatist organisation Eta, Mr Domingo Iturbe Abasolo, was being intercogated yesterday at the French border town of Hendaye after being detained on Sunday by French police.

Mr Jose Barrionnevo, Spain's Interior Minister, is understood to have requested the detention when he met his French counterpart, Mr Charles Pasqua, at an EEC antiterrorism meeting last week. Considered by Spanish police to he Eta's chief of operations, Mr Iturbe Abasolo (42) is one of the last remaining "hisof the last remaining historic" members of the organi-sation. A one-time metalworker who fled Spain in 1968, he is suspected of having taken part in the 1973 assassination of Admiral Luis Carrero Blanco, the Spanish Prime Minister.

The Spanish police allege that he presides over Eta's six-member high command and was responsible for ordering a car bomb explosion in Madrid on Friday which kitled five members of the Guardia Civil

security corps.

Co-operation between France and Spain over Eta began in and spain over the began in earnest two years ago when the French Government began to deport Eta members to far flung corners of the world including Ecuador, the Dominican Republic, the Cape Verde islands and Togo.

Among the more than 30 deportees is Mr Iturbe Abasolo's former second-in-com-mand, Mr Eugenio Etxeveste. Continuing the crackdown, a court in Bayonne last month sentenced Mr Etxeveste's replacement; Mr Juan Maria Lasa Mitxelena, to five years' jail in what was by far the stiffest term so far imposed on Basque separatist in France.

An Interior Ministry spokes man here said yesterday that the Spanish authorities would wait and see the results of the initial interrogation in Hendaye before deciding whether to seek Mr Iturbe Abasolo's extradi-

He is likely to face initial charges in France arising from his disappearance from Tours where he had been confined in 1984 because of his Eta links. For more than a year he is believed to have been living secretly in senth-west France.

Foreign correspondents in Moscow branded as spies

THE SOVIET UNION yesterday put on show Mr Oleg Tomanov, formerly head of the Russian Service of Radio Liberty, the US-backed radio station aimed at the Soviet Union and Eastern Europe. He has redefected to Moscow

20 years after he escaped to Mr Tomanov, the latest in a string of Soviet defectors

who have given news confer-

ences on returning to the Soviet Union, claimed that at Radio Liberty and Radio Free Europe, "propaganda activity Is only the tip of the iceberg' and both organisations were used for espionage.

He accused the radio station of recruiting Soviet citizens as spies and be alleged that foreign correspondents in Moscow of being la touch with the

Munich-based radin station. This attack appears to be part of a concerted campaign by the anthorities against US correspondents in Moscow. The Soviet press spokes

man denied yesterday that any foreign correspondent in Moscow would be victimised by the authorities for hold-ing opinions hostile to Soviet policy.

Tomanov originally

compared with about

came to the West in 1965 when he jumped from a Soviet ship in the Mediterraean and soon after toined nightmare. Radio Liberty of which he finally became the third rating head. He ascribed his

hands and perhaps to a cer-tain egotism on my part." He would not say why he

original defection to a wish "In take my future in my own

though he claimed his 20 years in the West were a

Despite Mr Tomanov's claim that the radio stations are a centre of espinnage against the Snviet Uninn, he was unable to produce much evidence that they are involved in anything more than

David Marsh on the problems besetting the US-directed project

Space station flies into turbulence

US, EUROPEAN and Japanese governments and aerospace rompanies, moving out slowly President Reagan's cosmic goal of build-ing a manned space station by 1994, are trying to navigate round an expanding cluster of

Question marks over funding and the destruction of the US space sbuttle Challenger in January, followed by the more recent explosion of an unmanned American rocket, bave all combined to cast a pall over the ambitious project.

Additionally, Enrope bas be-come more self-confident and demanding in its space relationship with the US. Prof Reiman Luest, director-general of the II-nation European Space Agency (Esa), said last week that the US should accept that Europe would eventually be autonomous in SPACE. autonomous in space.

"Co-operative programmes are now of a different nature than in the past," he said, adding that the US should not look at co-operative ventures "as a means of binding European financial resources to prevent Europe becoming independent

too quickly."

The space station plans, announced in 1983, envisages that the US will spend about \$80n. and Europe and Japan around \$2bn each, in constructing the orbiting outpost. It would be used for making new materials and pharmaceuticals in almost zero gravity conditions, earth observations and, later on, would serve as a jumping-off hase for longer space flights within the solar system.

Nasa, the US space agency, and its counterpart in Europe and Japan have already worked out agreements on the definition stage of the space station.

Nasa is seeking competitive pro-posals from US companies from October powards for full scale development work to start in May 1987. Esa governments will not decide until next spriog on joining in full-scale development, depending on conditions still to be negotiated with the

ible for policy and planning at the Nasa space station office,

Suson being spent this year.
But he admits the effect on
space station financing of the
Gramm-Rudman-Hollings Budget Deficit Reduction Act is impossible to predict. Further-more, the Challenger disaster US. Mr Robert Freitsg, respons poses a dual problem.

Early space station envisaged a fleet of up to six

European space officials think recent setbacks could postpone the start of the station's operation

for perhaps two or three years

told a receot space conference in Venice that studies were going ahead. But budgetary cuts would force the manned structure, planned to be assembled in space by January 1994, to have slightly less laboratory space than originally

Mr Freitag compared progress on the space station favourably on the space station favourably with work on the early stages of the other two big US space programmes of the past 25 years—the Apollo and Space Shnttle projects. "It's amazing that we've come this far without any fundamental slips," he says, Officials from Esa and from CNES, the French national space agency, believe Nasa is over-optimistic. Recent setbacks

over-optimistic. Recent setbacks could postpone the operating space station start for perbaps two to three years beyood 1994, they say.

Mr Freitag says he has "great hopes" Coogress will grant Nasa the \$140m it is asking for space station development when the statement of a future independent space and that if the property property areas, the accidents avoided.

sbuttles for the early 1990s. Nasa insists the space stanon rould still be constructed on time with the three existing shuttles. But the depleted fleet raises the risk of delays if priority use of the vehicles is given in the early 1990s to military satellite faunches and linked to the Strategic Defence Initistive (SDI).

Current plans call for ESA and Japan each to supply one pressurised laboratory module for the station, with the Americans building an initial two, down from their original plan to construct four,

Some French officials are upsel that Mr Luest last month sppeared to back down on a key point by informing Nasa that Europe's Columbus

for the fiscal 1987 year. This European space station. French is planned to rise to \$1hn in space planners believe this space planners believe this could be built by 2005— although harder-beaded British space officials believe earliest construction would be 2015.

Esa and Japan are laying down that their planned Ariane 5 and HII launchers be used along with sbuttles to lift components to the space station. This adds to the complex problems of assuring stan-dardisation between the different parts of the structure.

Growing space rivalries hetween the US, Europe and Japan also threaten discord. The rapid advance in space expertise in Europe, in addition to budget pressures in til US, should give Europe greater bargaining power in space station negotiations.

In the last big collaborative project, the orbiting space laboratory Spacelab, lopsided accords gave the US considerable technical and economic advantages. European officials yow this should not happen most controversial question, bowever, surrounds technology transfer. Esa offi-

cials criticise the programme arrangements under which Europe passed valuable technology in areas like computers to the US with-

out compensation. had little control over the process of deciding whether US or European technology should be chosen for Spacelab tasks, One official at the conference said that if the US had made use properly of European technology and systems in certain ares, the Challenger and Titan arcidents might have been accidents might have

Report on Karmal discounted

WESTERN DIPLOMATS here say there is no sign that the Soviet Union wants Mr Bahrak Karmsl, the Afghan leader, removed from power, although they do not rule out the possibility that he is seriously ill.

Mr Karmal's failure to appess at the parade in Kabul celebrat-ing the eighth anniversary of the Afghan revolution fuelled specu-lation over the weekend about Karmal arrived in Moscow or March 30, probably for medical treatment, and Soviet officials have implied that he is still bere.

"The Soviets have nothing to gain through introducing a note of uncertainty over the future of Karmal immediately before the indirect talks sponsored by the UN resume with Pakistan in Geneva on Msy 5," said a diplomat here yesterdsy.

Soviet press reports emphasised that the Afghan Government needs to broaden its political base to include traditional tribal and religious leaders. This is in keeping with the overall Soviet strategy in Afghanistan—where it has some 115,000 troops-of holding the the political support for the Government in Kabul,

The replacement of Mr Karmal by Mr Sultal Ali Kishtmand, the Prime Minister, or Mr Nsjibullah, the chief of security Since Mr Mikhsil Gorbachev met President Ronald Resgan in Geneva last year, the Soviet Union has been much more ready to express its desire io withdraw from Afghanistan, but with the key proviso that guerrilla attacks and outside intervention cesse.

There are two sides to every argument for the Porsche 928S Series 2.

On the one hand, here is a luxury car of quite exceptional refinement. A car that's built by hand to Porsche's specification, then tailored to yours.

Front seats, for example, are electrically owered for hright, reach and back adjustment. If you wish, they can be hideupholstered in the colour of your choice.

To produce the perfect driving position, the steering column and instrument binnacle also adjust. In unison.

There is an ingenious climate control, with an electronic 'weather eye' that monitors outdoor conditions. The slightest change, and air flow afters automatically to naintain your pre-set cockpit temperature.

ction

Hervent

Even the glovebox is air-conditioned.

While for a total change of atmosphere, you only have to turn to the 928's computerised sound system. Fittingly, the ultimate in music for the ultimate in movement.

Steering is power-assisted and speed

Headlamps can be hydraulically adjusted from inside the car). Wing mirrors not only demist but can be re-positioned at the touch of a button.

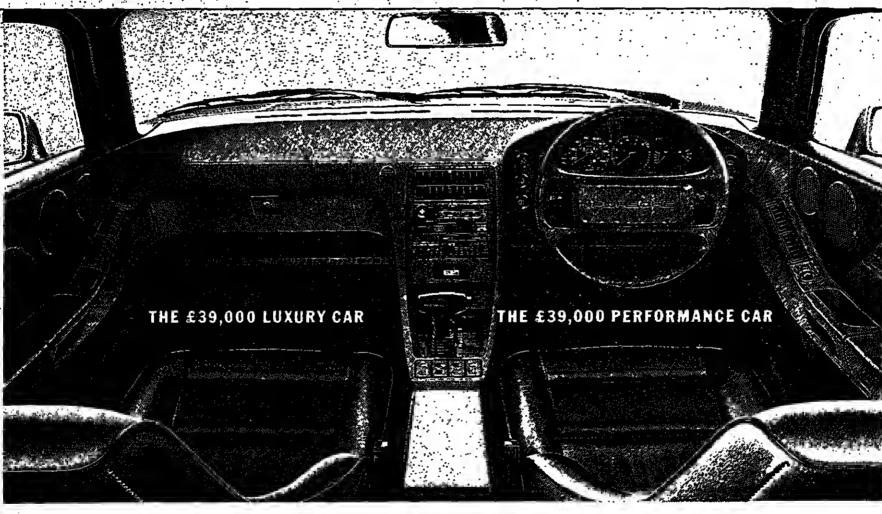
There is a cruise control to take the footwork (and the hard work) out of long distance driving. A fourteen-function safety warning

system monitors everything from brake pad wear to tail lamp operation. There's central locking. Including an nti-intruder button that allows you to secure all doors even when the car is in

And should you think that Porsche proportions are totally impractical, some final words of comfort.

Leg room to the front is more than generous; luggage room to the back verges on the cavernous.

Fold the rear seats and you have more towage space than a luxury saloon.



On the performance side, the 928S. Series 2 is astonishingly flexible. Smooth and imperturbable around town. Fast (never furious) on the open road.

With 4-speed automatic transmission, the 928 produces rather impressive Factory Test figures. 0-62.5 mph (0-100 km/h) in 6.7 seconds. Top speed: 156 mph. The 5-speed manual is marginally swifter.

And as quickly as it starts, the 928 stops. It has one of the safest braking systems yet

Second generation ABS cadence braking (allied to four piston, fixed caliper ventilated disc brakes) means that the 928 driver can stop rapidly and steer at the

Handling is superbly controlled too, of course.

Thanks firstly to the Transaxle driveline (engine fore, gearbox aft) which

provides near-perfect weight distribution. And secondly, to the Porsche-patented Weissach rear axle. An innovation which counteracts a car's natural tendency to break away on tight corners.

Fuel performance? 'Respectably economical' to quote 'Motor.'

And the 928 brings other rewards. A 2-year mechanical warranty. The Porsche Longlife 10-year anti-corrosion warranty that's routine maintenance free. 12,000 mile service intervals.

But, above all, pleasure: the sheer ease of driving a car that sets new standards in luxury performance technology.

As Car Magazine concluded, and the motoring press have universally acknowledged, this is one of the very best cars in the world! And who are we to disagree?

For a personal introduction to your nearest Official Porsche Centre and a comprehensive brochure on the Marque, simply send your business card to our Customer Relations Department.

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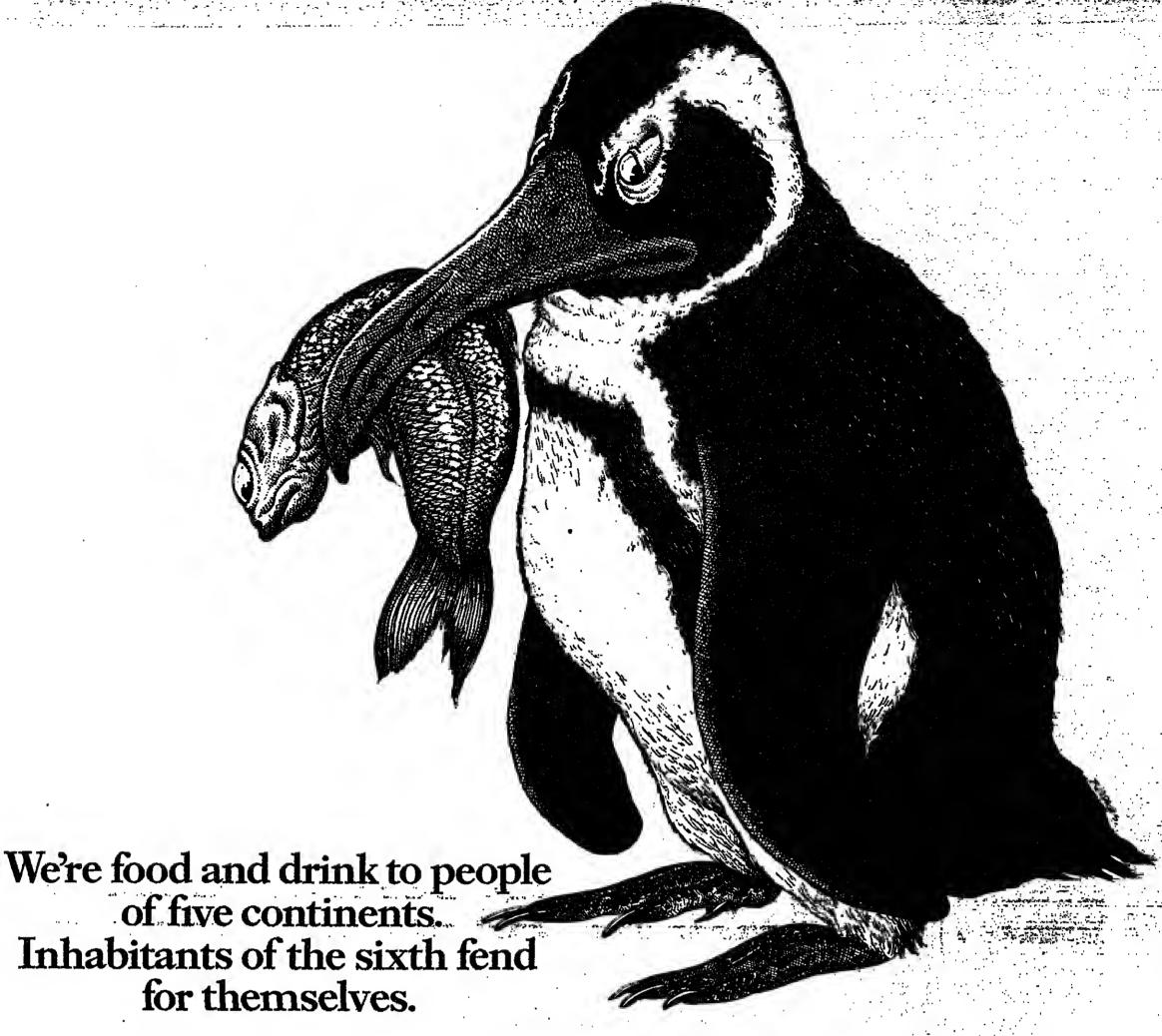
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Primitive though they are, most of the population of Antarctica know exactly where their last meal came from.

Which is something that can't be said of the people of the more advanced countries of the world.

In the States they think Baskin-Robbins, one of the world's biggest ice cream chains, is as American as Apple Pie. Which is hardly surprising as it's run entirely by Americans.

But it's owned by Allied-Lyons. A British company.

Clogs, windmills, tulips, advocaat, what could be more Dutch?

The advocaat. Warninks, Holland's biggest producer of advocaat is British owned and it's part of Allied-Lyons.

All over the world people have got into the habit of drinking sherry before, during or after a meal. Hardly the thing to do, eh what? But we don't mind. The chances are they're drinking Harveys, the world's biggest selling sherry, once again from Allied-Lyons.

It's much the same with port.

In over 50 countries they don't know, or care, which way to pass the port. But they do know which port to pass. It's Cockburn's.

We could go on.

Allied-Lyons have over 200 brands, many of which are household names in countries the world over. But we're not just sitting back counting the profits, considerable though they are.

During 1985 we invested massively in the business and launched well over one hundred new products worldwide.

Last year we made record pre-tax profits of £219 million and achieved £945 million worth of business overseas, without any help from our flippered friends down there in Antarctica. Allied-Lyons

مك نا من الزعمال

Gandhi expels senior critic from party

BY JOHN ELLIOTT IN NEW [

ndian Prime Minister, eared last night to have won he first round of e battle with rities inside his Congress I 'erty after he expelled Mr 'ranab Mukherjee, Finance linister in the administration f the lata Mrs Indira Gandhi, room the party for six waars.

from the Cabinet as soon as Mr Gandhi came to power, along with other advisors and contacts of Mrs Gandhi who beve been shunned. He later lost various posts within the party.

He and his supporters, inrom the party for six years.

A possible revolt has been milding up during the past ew weeks, presenting Mr andhi with his first party risis since be came to power 8 months ago. It has been oranical has contact the second anised by senior members of ne party who have been dis-nissed or ignored by Mr landbi and who fear that their

ongress I completes in July its rst internal elections for 14 ears.
Mr Gandhi is in no mmediate political danger ecause his position as Prime finister and president of the arty is not being challenged. The critics merely appear to ave wanted to increase their ower and shake the confidence of Mr. Gandhi

ower bases within the party

But there is a risk that the ronbles could have caused pajor problems if they bad ontinned into next year when lections will be held for a new resident of India and for egional assemblies in three ey states—Haryana, West lengal and Kerala.

Mr Mukherjee was dropped from the Cabinet as soon as

He and his supporters, including three other senior figures who were suspended from the party over the weekend, criticise Mr Gandhi's bandling in February of controversial off price rises and a bill ba is supporting before Parliament this week which cancels e court judgment that divorced Moslem women are entitled to alimony from their entitled to alimony from their ex-bushands.

Last week the issues came to a heed when Mr Ramalpati Tripathi, the party's 82-year-old Tripathi, the party's 82-year-old working president, wrote to Mr Gandhi complaining about the conduct of party affairs. Mr Gandhi went out of his way to try to placate the elderly politician and this appears to have been interpreted by the critics as a sign of weakness which could be exploited while the Moslem Women Bill is before Parliament. Parliament.

So Mr Gandhi swiftly over the weekend with the surprise expulsion of Mr Mukherjee who now has to decide whether to try to fight on within the party or form a breakaway group.

60 YEARS OF EMPEROR HIROHITO Japan marks longest reign in its history

BY JUREK MARTIN IN TOKYO

TTH A mixture of genuine spect, mild indifference and me controversy, Japan today immemorates the 60th year of e reign of Emperor Hirohito, e longest imperial rule in panese history, either re-The principal event will be e wernment-sponsored ceremony

Tokyo's sumo wrestling adium, the Kokugikam. The nperor is a considerable fan Japan's traditional sport, sich he views in person at the res Tokyo tournaments a year om the imperial box.

Today is, in fact, not the miversary of his accession but s birthday—his 85th—and is national holiday in any case, le first in the three within a)-day span thet make up olden Week when the nation Japan is not gripped by any good of national fervour or

elebration, such as has marked otable anniversaries, royal od otherwise, elsewhere in the orld. Special gold coins are eing minted and commemorave stamps put on sale at post ffices, but it is far from clear even these are going to be in rest demand.

The main explanation for this the the Emperor is, as a contitutional monarch, now seen y most Jepanese, excluding the ar left and right, as simply a art of the national landscape.

He certainly commands none f the ewe and veneration that as associated with his god-like tatus before his dramatic radio nouncement on August 15, 345, that the war had deeloped "not necessarily to our dvantage."

A succession of recent polls es shown that well over 80 per ent of the population are per-ectly content with the Emperor s the symbol of the state. But ney heve also found that at east half those surveyed have lirobito himself et all capitalise if be chooses to call
Popular attention, certainly in a general election in June.



the Press, is now mostly focused on who his grandson — the 26-year-old Hiro — might marry, much as it was in 1959 on the wedding of his heir Crown kes a collective breath from Prince Akihito to the comseccustomed industry.

Japan is not gripped by any

There had been speculation in the Japanese popular Press that the Emperor could use the occasion of his anniversary to-dey to abdicate in favour of the Crown Prince but this was reso-lutely denied by the Imperial Housebold Agency.

Some controversy does centre

on the timing of the celebra-tions. The Emperor actually mas Day, 1925, on the death of his father, the Emperor Taisho, and was formally invested on November 10, 1926. His 50th anniversary was indeed cele-brated on November 10, 1976. Critics of Mr Yasuhiro Nakasone bave charged that in choosing the Emperor's birthday for the commemoration the Prime Minister was trying to infinence public opinion for electoral purposes. It is said that the combination of the imperial celebrations, the that the imperial economic summit next week and the visit of Prince Charles and the Princess of Wales from May 8 onwards would put the half those surveyed have nation in the sort of good mood personal feelings about on which Mr Nakasone could

Israeli foreign debt falls

BY LYNNE RICHARDSON IN TEL AYIV

nsuccessful fiscal policiee. export of goods was up by?
However, since the austerity per cent and total imports rogramme initieted by the dropped by 4 per cent.

SRAEL'S net foreign debt National Unity Government ropped by \$600m to \$19.3hn beeded by Mr Shimon Peres, the late of 1985 putting an economy has stabilised, the not to the consistent upwards latest report from the Central I the end of 1985 putting an economy has stabilised, the nd to the consistent upwards piral that started with the 1978 Bureau of Statistics shows. il crisis.

The country'e foreign cobt ad been around \$3bn np to 972 before oll prices rocketed ince then, israel's economy has increase in transfer payments to israel from byperinflation and the cost of two wers, as well as drain on reserves because of insuccessful fiscal policiee.

However, since the austerity parament in the balance of payments of some \$800m. The export of goods was up by 7 to 1974.

S. Korean students burnt

BY STEVEN & BUTLER IN SEOUL

esterday lay in critical condion in a Saoul bospital after student demonstrators. One of ousing their bodies with petrol nd burning themselves during n anti-government demonstra-on near Seoul Netional

arned from the roof of a threetorey building that they would literature.

WO South Korean students burn themselves unless police the students leapt from the attempted to grab him. Police reported the arrest of 123 students who were said to Iniversity.

The students joined in a pross against compulsory military racking for students. They arned from the roof of a three-

S. Africa bars union men from funeral

Johannesburg
VISITING FOREIGN trade
union officials were among
people prevented by police
from attending the funeral of a stain black union official in the Tembisa township east of Jehannesburg yesterday. Police sealed off the township after lawyers acting for the Metal and Allied Workers' Union unsuccessfully applied for a Supreme

fully applied for a Supreme Court injunction to lift restrictions on the funeral of Mir Terrian Kortman, who was killed in township violence last week.

Tension is rising in the union movement before this week's planned rallies in major cities in support of union demands to make May Day a national holiday. Thursday also sees the launch in Durhan of a new union linked to the Zuln Inkatha movement, which will be a rival to the recently formed Cosata federation which has close links to the United Democratic Front (UDF).

The black National Union of Mineworkers (NUM) yester-The black National Union of Mineworkers (NUM) yesterday confirmed that it is calling all its 200,000 members out on strike on Thursday. This is likely to affect production at 26 gold mines and 13 coal mines.

As President Reagan flies to Bali, Alain Cass considers the prospects for his host

Why Suharto's control is vital to region

PRESIDENT Ronald flies to the island of Bali today, a sanitised holiday enclave which is all that most foreigners see of Indonesie,

His two-dey stop-over en route to the summit of industrialised natione in Tokyo is described, a little disingenuously, as the President's first visit to Indenesia. Thet would be like equating a visit to Goa with one to India or a trip to Puerto Rico with a stay in the US. Mr Reagan will meet Presi-dent Subarto of Indonesia and

his senior advisers as well as foreign ministers of the sixnation Association of Southeast Asian Nations (Asean) to review the halance of power in this pivotal aree of the world where the US sees its traditional pre-eminence challenged by the Soviet Union. The recent upbeaval in the

of the American military instal-ations et Clarke Field and Subic Bay north of Manila. Mr Reagan, fresh from bis expedition against Libya, will want to stiffen the resolve of those who wish to eccept the situation in Indochina since the

the growing Soviet presence in Vietnam and the eventual fate

Mr Subarto: firm grip

recognises Vietnamese suzerainty over Kampuchee and Laos in return for a with-drawal of Hanoi's troops.

in Bali. He takes an intensely practical view of relations between the Asean group and the markist states of Indochina and regards Indonesie's non-aligned status as the sheet anchor of ite foreign policy despite being virulently anti-

If Mr Reagan hed time to leave his island tourist-trep and visit the rest of this sprawling archipelago, which end to end is as wide es the US, be would

Insurgents fighting Indo-nesian rule in the former Portuguese colony of East Timor have produced docu-ments, including what they claim is a captured military man, purporting to show a level of guerrilla activity that contradicts. In done sian accounts of reducing the accounts of reducing the resistance movement to a few demoralised bands, AP reports from Lisbon. The Revolutionary Front for an Independent East Timor has fought a guerrilla campaign since Indonesia Invaded in 1975 following the breakdown of Portuguese colonial rule.

is the world's fifth most popu-lous nation and its 13,000 islands straddle Asia's vital seeways between Jepan and the oil fields of the Middle East. It nationalism in the 1950s and nationalism in the 1950s and 1960s under President Sukarno, when foreign policy fluctueted wildly and erratic economic menagement left the country virtually benkrupt, Indonesia has begun fulfilling its huge potential.

a shrewd mixture of political guile, sound economic management and ruthless military discipline. Helped initially hy soaring oil prices, he has been terity measurles es the price has albe to buy off criticism of his authoritarian regime with pessimists predicted. Indonesia, with 165m people, authoritarian regime with pessimists predicted.

vulnereble.

After a period of rabid economic growth.

The ruling elils—primerily the military and their dependents—end a growing middlecless bave benefited from the oil boom and now form part of an unbreakable web of support for the regime. for the regime. Indonesia has gone from being

the world's higgest importer of rice to self-sufficiency in five years. It has slashed its popu-lation growth and is laying the foundations of an industrial society. Regionally, the country has emerged as en important diplomatic power after its early period of helligerency under President Sukano and Its more recent isolation.

But there are many reasons why Indonesia remaine vulnereble, and President Suberto feels the need to retain e firm grip at home and avoid confron-

The most serious problem is the recent fall in oil price which bas bad e dramatic effect on the President Suharto, in power country's spending power, for 20 years, has governed with Neerly 70 per cent of indonesie's

For every dollar drop in the intensely oil price Government receipts fall by more then \$300m. This year, the state budget wes cut for the first time in 17 years. With 1.5m oew job-seekers coming on the market each year, a depressed industrial sector and millions still living at subsistence level the regime cannot afford a prolonged

economic recession. President Suharto must also watch his politicel front. His position is unassailable, and he another term after his present one ends in 1988. The Govern-ment party, Golkar, is almost emharrassingly successful as the army end the hureaucracy close ranks to support it.

However, dissent is increas-Ing and the Government feels the need to deal with it harshly. Press freedom is steadily being choked while nonconformist political movements are firmly diecouraged.

Potentially the most eerious long-term threat is from Moslem fundementelists. Although still insignificant, surprising for the world's biggest Islamic state, Moslem opposition to the relatively permissive neture of Indonesian society and the ramis growing end could upset whet has, so far, proved a model of

What on earth possessed Mitsubishi to launch a range of business computers

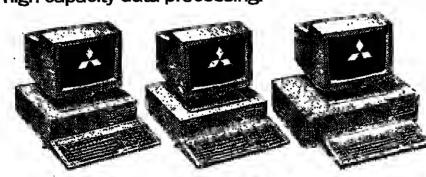
Mitsubishi Electric have been in business since 1921, building nothing less than innovative, advanced technology - where it's needed, when it counts. Which is why we've launched a range of business computers now.

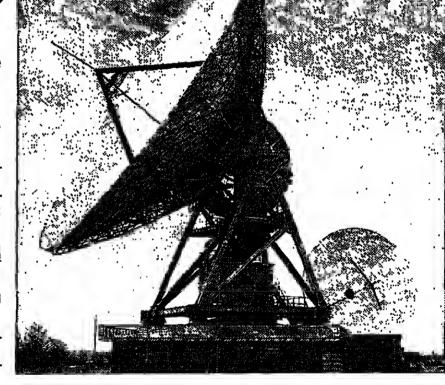
Proven expertise

The satellite earth station at Madley, Herefordshire; the revolutionary flat square television tube; the ultra high resolution monitor, all were designed and built by Mitsubishi. So every Mitsubishi business computer is backed by - and serviced with - proven electronics expertise.

High-speed power

In Japan no business computer survives unless it can process increasingly complex information and retrieve it at speeds that bum the eye. We like to think that Mitsubishi's dominance of this market sector in Japan has got a lot to do with high-speed, high capacity data processing.





Capacity with confidence

Mitsubishi business computers can stand alone or grow with your requirements. With a memory capacity that can expand to 5 MB, a 40 MB hard disk and up to 1.2 MB 5.25" flexible disk drive, they'll accommodate almost all your business needs, without draining your resources.

Built with all the backing that a major corporation can provide, Mitsubishi business computers incorporate four essential qualities: high performance; economy; flexibility and constant reliability. That's why we're sure you'll want to find out more, now. Pick up the telephone. We'll send you full details.



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MADISON Square Garden, the midtown Manhattan arena which has played host to such political franchises. the New legends as Franklin D. Roose-Rangers hockey team at and rock hands like the Rolling Stones, is to be pulled down and (£780m) redevelopment plan unveiled hy "the Gardeo's" owners, Gulf Western.

yard two blocks west of the pre-sent site on West 33rd Street. Madison Square Garden huild-ing would be razed. The new arena, which is expected to cost hetween \$150m and \$200m and be financed by out-side iovestors will seat up to 22,000 people and he "the most technically advanced" entertain complex in North

would be the first ladison Square due to begin iate next year, Garden was huilt in 1874 on 26tb Street by P. T. Barnum. the circus legend, who called the circus legend, who called the circus legend would be opened in late 1990. his showplace the monster clas-sical and geological hippo-old site due for completing in

G & W. which also owns the Garden's two professional sports Rangers hockey team and the velt and John F. Kennedy. New York Knicks baskethal sportsmen like Muhammad Ali team, maintains that the current ceotre is poorly huilt and badly designed.

If the redevelopment plan wins city and state approval —
G & W maintains both New ulf Western.

G & W bas announced plans and New York City Maynr Ed to rehuild Madison Square Koch are "enhustastic and Garden above a railroad storage supportive" — the current

ln its place G & W plans huild a massive retail and twin-tower office com-plex above Penn Station which itself would be rehuilt.

G & W estimated that the pro America.

If approved the new centre would be the fifth to hear the revenues and that construction. new Madison Square Garden would be opened in late 1990

Dominican ruling party candidate tipped to win poll

MR JACOBO MAJLUTA, the candidate of the incumhent Partido Revolucionario Dominicano (PRD), is being favoured to win next month's presidential election in the Dominican

Republic, according to public

it little is stock a partition of the state of the state

opinioo polls commissioned and published by the newspapera El Nacional and Hoy.

The lead established by Mr Majluta indicates that the social democrat PRD has successfully overcome the recent interpectue fighting-which included a wild West-style shootto select a candidate.

The fight within the party over the candidate to replace President Salvador Jorge President Salvador Jorge Blauco, who is not standing for re-election, had hoosted chances of veteran politician Mr Joaquin Balaguer, a former president and leader of the conservative Partido Reformista Social Christiano. The latest polls show Mr Balaguer has 31 per cent of the likely votes to Mr Majinta's 39 per cent. The election, set for May 16, will take place amid a growing economic crists in the Spanish-speaking Caribbean republic of 6m people.

US tobacco companies suffer court setback

By Terry Dodsworth in New York THE long-running US court battle over the health hazards of smoking took a new turn yesterday when a judge in Boston, Massachusetts, ruled that the warnings on eigarette packets do not protect tohacco companies from product liability lawsuits.

The decision by Judge David Mazzone in the Boston district court, is the first aignificant victory for US anti-smoking activists in several mouths. It comes after several moves to hring the tohacco companies to trial have been thwarted, and reverses a ruling on the warning notices made in the Philadelphia Federal Appeals Court only a few weeks ago.

Court only a few weeks ago.

Tobacco stocks, which had acared on the Philadelphia decision, were immediately knocked hack in early trading yesterday, with Philip Morris shares falling by \$12 to \$621, and R. J. Reynolds'

by \$1 to \$441.

Despite this cautious reaction by the markets, the Boston indgment was seen yesterday as another pre-liminary skirmish in the anti-smoking battle, rather than a conclusive decision.

Judge Mazzone's ruling was

nade on a lawsuit filed by the helrs of Mr Juseph Palmer, a Massachusetts resident who is alleged to have died of cancer after smnking four to five packs of eigarettes a day. The judge said that juries were free to find that reasonable manufacturers would have included stronger warninga in addition to that required by federal law.

Productivity rises

Productivity in the US nonfarm husiness sector rose at a seasonally adjusted annual rate of 3.4 per cent in the first quarter of the year, according to the Labour Department, Reuter reports from Washington.

UN holds on by thin financial thread

THE VIABILITY and integrity of the United Nations are under MAJOR CONTRIBUTORS TO UN BUDGET 1986 total \$830m threat by the worst financial crisis ever to hit the organisation, Mr Javier Perez de Cuellar, Secretary General, said yesterday as the Geoeral Assembly began an emergency debate on the problem. 44.61 26.54 75.92 "It arises principally, though Soviet Union not exclusively, from disregard for obligations flowing from the charter and from

lack of agreement among mem-ber states on the purposes for which the United Nations should be used, and on the supinfluential hody of opinion in the US that helieves the 25 per cent or \$2 to 27m—it used to be 3 per cent — is too high and should be reduced to 20 per cent. The Congress's Grammport to be rendered by each member state to ensure its effectiveness," he said. Rudman deficit reducing legis-lation has already resulted in a \$70m cut in the US contribu-Total arrears at March 31 were \$742.87m (£470m), \$176.85m of which were contrihutions outstanding for prior

President Ronald Reagan has ignored the argument that the Congress's action is a violation of UN charter obligations. When Eighteen member states, in-cluding the US and the Soviet Union—which hetweco them Mr Perez de Gnellar went to Washington last mouth to plead contribute 37 per cent of the total UN annual budget of \$830m have withheld part of with him for a restoration of the cuts the Secretary-General their contributions because they disapprove of the use made of received short shrift at a meeting that lasted only 25 minutes. According to the Secretary-

The US contributes far more than any other member because its gross national product is the highest. However, there is an

the Commonwealth Caribbean,

which have been adversely affected by low demand and weak prices for their major

commodity exports, are unlikely to abow any maaningful im-

provement this year, according

to the Caribbean Devalopment

Bank in a report on the region's

However, the hank said in its

report on the region last year

The CDB, based in Barbados,

provides project financing for

its 17 members in the region.

Most of its funds are provided

economic prospects.

materialise,"

contributors: Britain \$25.5m, China \$7.39m, France \$4.35m, Italy \$26.54m, Japan \$56.54m, Spain \$14.21m, South Africa \$27.56m, Soviet Union \$129.7m, US \$253.5m, and West Germany

Pleas to the administration by the European Community mem-hers heve also been ignored. UN officials acknowledged that a large element in the crisis is the low esteem in which the organisation is beld in the bost country.

The current negative mood among many Americans was not improved by debates in the Security Gouncil this month, when speaker after speaker denounced the military action against Libya. Even such a generally loyal friend as Thai-land voted for a resolution to condemn the US raids on Tripoli and Benghazi.

About three-quarters of the Abont three-quarters of the UN budget goes for staff costs. Worldwide, there are 11,800 officials and ancillary staff on the UN payroll and the US has long complained that they are paid too much—up to 40 percent more than American civil Gancral's report, only 14 countries were fully paid up by servents, according to one March 31. Those in arrears estimate disputed by the UN—

sible growth as tourism, non-traditional agriculture and

said the overall rate of econo-

and that, like 1984, the growth

was unevenly spread among

In the 12 months ending

November 1985, the value of

the Jamaican dollar moved from 21 US cents to 18 US cents, while in December 1985 the

Reviewing last year, the CDB

traditional agriculture other service industries.

countries and sectors.

BY CANUTE JAMES

mented by some of its mic growth in its borrowing members ". . will take time member countries had slowed,

The CDB said its forecast for

more significant growth in the

Caribbean next year was hased

on indications that economic

adjustment programmes imple-

The bank also anticipates that

the region's economies will he

dependent on the steps which

borrowing member countries

take to shift from such declin-

ing sectors as traditional agri-

before bearing fruit."

included the following major and do toolittle. Mr Perez de contributors: Britain \$25.5m, Cuellar is said to have replied to the question: How many people work at the UN?-

Talk is a major activity of the UN and a cause of criticism by many of the principal donor countries is its propensity for duplicating debates in several overlapping bodias created to deal with a particular subject-for instance, southern Africa or the Middle East. Delegates also have a costly habit of choosing cities away from New York for their special conferences, ignor-ing facilities available at the headquarters and greatly headquarters and increasing servicing costs

Among proposals Mr Perez de Cuellar has made to save money is a three-week reduction to 10 weeks of the extraordinarily wordy UN General As-aembly. That has already met opposition, as has another pro-posal of his to reduce the number of free air fares for dele-gates to attend general assem-

The Secretary General has called on UN staff to make saorifices, but the smaller states that rely so heavily on the UN evidently must make eacrifices also if the organisa-

and Tobago, in Barbados

The bank reported crude oil production increasing in Trinidad and Tobago and Barbados last year, but the former ... was likely to remain depressed because of the recent and

prospective declines in the price

last year, the CDB said, and this growth is likely to continue this

The region's tourism improved

increased

declined

Laxalt may seek presidential nomination

SENATOR Paul Lavalt Nevada Republicas who is close political friend and all of President Ronald Reagan has hinted that he would like to join the long list of contenders for the Republican Party's presi-dential nomination in 1988.

In an interview in Time man rine, Senator Laxait (63), who year is quoted as saving that if the Republican Party has a viable candidate he will had him but "if not I'll look at the situation very carefully."

Senator Laxalt rejected the ides that he was already candidate. But when asked the his position could be described accurately as "passive availability," he said that that was "a very good description."

Speculation about by residential ambitions by Senator Laxait has long been Washington. Mr Separof Lazare has long ten rife in Washington Mr George Will, the infinential Washington Post political celumnist earlier this month described him as not just wal-ing in the wings but "actually pacing restlessly and pawing the dust."

Caribbean economies set to grow next year Many conservative Republican's would see the right-win Senator, who President Reaga-last year sent as his person THE troubled economies of Britain Canada and France. Its region has a comparative advantage of the Trinidad and tage," the CDB said.

Tobago dollar fell from 42 US and tage, the CDB said.

It listed the sectors for poscents to 28 US cents. emissary to then President dinand Marcos to press for urgent reforms in the Philip pines, as the politician who Reviewing the major economic sectors, the bank reported that sugar output in the English could most effectively ensur speaking group increased 5.7 per cent over 1984, to reach that President Reagan's politi cal philisophy lives on when 2,896 tonnes. "Production creased substantially in Jamaica, St Kitts Nevis, and Trinidad and Tohago and Office.

Were he to declare his can didacy he could weaken in particular Vice. President George Bush'a prospects. Sepator Laxalt, however

not without bis political liabili-ties. His political base in Nevada, a thinly populated state. Another potential problem is the libel suit be is fight ing against allegations the organised crime was skimmile money from a casino in Nevada in which Mr Laxalt bad the

assisted by the fall in petroleum prices, a trend to-Among the adjustments of last year to which the CDB and its forecast for next year: "Economic growth aboutd gain momentum in 1987 if the prowards falling interest rates and consequential additional growth in the international economy. "The medium to long-term pointed were changes in the parity of some currencies. It 3.4% in first quarter said the value of the Guyana dollar had moved from 27 US cents in September 1984 to 24 US cents at the end of last year. jected increases in the output industrial countries

by non-berrowing members and culture, towards growth-orien-non-members, including the US, ted sectors for which the

Paul Taylor continues his series with a look at NCR's strategy for growth Striving to break out of the Bunch'

By popular Wall Street acclaim, NCR, with its solid halance sheet, a growing cash mountain and enviable earnings —the acrooym describing the its proprietary metal oxide seminon-IBM US mainframe makers.

But Mr Charles Exter. NCD's But Mr Charles Exier, NCR's microprocessors.

56-year-old chairman and a former Burroughs executive and the result to the result president recruited to the Dayton, Oblo-based group in 1976 to help sort out NCR's finances and map out the group's future, waots more than Wall Street's accolade. Mr Exley is searching for the formula that, he hopes, will hring the fast growth which has eluded NCR for so long. Now he thinks he has found it.

creating new ones where they don't." and offering a full line of products - from persons computers up to mainframes -

of new products—more than 180 last year alone—mostly aimed at specialty markets like NCR's traditional transactionorientated hanking end retail markets, and others like manu-

ments of the group's retail total revenues—came from and financial customers.

Arguably, NCR had a head start over its malnframe rivais strengths bave also meant that in devising its strategy, in part its computer products bave because the company was never historically been orientated towards real-time "on line" as a specialist supplier to the applications like payments and retail and bank markets, meant withdrawals. These transaction that the company was 6 rela-tive latecomer to the general for the majority of NCr's purpose mainframe husiness systems revenues — and the ent as its competitors on main-

markets, and others like manufacturing, publis safety, health-care transportation and office automation.

NCR has also developed a micro-electronics semi-con-

The Shareholders in

Sandvik Aktiebolag

are hereby invited to attend the Company's Annual General Meeting, to be held at 2 p.m. on Thursday 15 May 1986 at Folkets Hus in Sandviken, Sweden

NCR, the 101-year-old grandfather of the casb register business, is behaving more like a sprigbtly teenager in the company most to the group has adopted a sprigbtly teenager in the company most to the group's puter industry than the staid, near-insolvent mid-Western group that it once was.

The group has adopted a ductor business and a flourishproducts operation while convenience," he growls. Last year Exley, and his predecessor, Mr we get classified as a fine series of key decisions taken into office automation.

The group has adopted a ductor business and a flourishstrikingly different strategy ing data communications.

Bunch company mostly for convenience," he growls. Last year Exley, and his predecessor, Mr we get classified as a fine series of key decisions taken into office automation.

The group also realised at a communication william Anderson, who stepped in the products operation while convenience," he growls. Last year Exley, and his predecessor, Mr we get classified as a fine series of key decisions taken into office automation.

The group also realised at a communication will be a company mostly for convenience, who is products operation while convenience, and the group's william Anderson, who stepped in the past decade by Mr went only 14 per cent of the group's william Anderson, who stepped in the past decade by Mr went of the growls. Last year Exley, and his predecessor, Mr while convenience, and the growls are the growls and the growls are the past decade by Mr went of the growls. The growled at a communication with the growls are the growls and the growls are the growls are the growls are the growls are the growls and the growls are the growls are the growls are the growls and a fourish of the growls are the mainframe machines.

NCR's traditional market

NCR was faster than most of its rivals to spot the impact of personal computers and micro-processors on the industry. Asa result, the group introduced the Worksaver line of Wordprocessors, based on a Conver-gent Technologies machine, in 1982, the same year that it took its still-controversial step of introducing its first personal

computer. product offerings cootinue to successful Tower series of 32-hit emphasise these applications. Supermini computers which ron the industry standard Unix computer software operating system, these product lines bave represented a springhoard "platform" for NCR'a push

The group also realised at an

to provide equipment that could communicate with IBM machines. In 1979 NCR acquired Comtem, IBM's main rival in communications proces-sors, the data communications "traffic" directors that stand between mainframes and tha rest of the world.

Wall Street industry experts wan steet Industry experis like Peter Labe of Drexell, Burnam, Lamhert describe the Gomten acquisition as "spec-tacular." Not only is the Comten husiness believed to have grewn rapidly and generated aignificant profits for its parent, but it has also given NCR skills in data communications and major advantages in understanding how to "fit products and systems into an IBM environment."

IBM environment."

In addition, while NCR bas made a virtue of using basic "commadity" chips, components and peripherals from outside suppliers, it has concentrated its own research on metal oxide aemi-conductors. While MOS technology is slower than the more traditional technologies, it allows more circuits to be packed into a smaller space. NGR's leadership in this technology—and particularly space. NGR's leadership in this technology—and particularly the development of its proprietary 32-bit semi-conductor chip set—has given the company sevaral key advantages.

In particular, like the Com-ten acquisition, it has opened np a new market for the com-pany. Eighty per cent of NCR's microprocessor production is sold outside rather than used internally—for example, NCR sells the 32-bit chip aet to rival Sperry.

Equally important, NCR has used its microprocessors as the basis for a new generation of low to mid-range modularly expandable mainframes called the 9000 series. Since the introduc-tion of the 9300 model in 1983, described by NCR as "the first business orientated 32-bit main-frame? machine, NCR has expended the line with three more models, including the 9800 na-velled earlier this month and described by NCR as "an evo-lationary, if not radical step in the development of mainframe

Using Its own chip technology and modular, muttiprocessor architecture, NCR has borrowed concepts both from the micro computer industry at one end end the parallel processing super-computer makers at the The result is a mainframe-

power machine that breaks up the functions of the traditional monolithic number cruncher into a series of steps bandled by seperate and smaller processors working together.
In the case of the top-end

9884 introduced week, 12 processors are hooked

NCR - THE KEY FIGURES

and

Sm (lst gir) (lst gtr) 1985 1983 1982 178 4,320 3,730 3.530

43.6 315.2 342.6* 287.7 234.4 200 Includes a \$30.6m non-recurring tax credit. NCR up together to provide mainmain frame power at lower cost. NCR profitability. Over the past deproces- promises further, even more cade NCR's operating processions powerful additions to the range. margins have averaged 12.5 per

promises further, even more powerful additions to the range. "The 9800 provides a clear cent, but revenue growth rates indication of NCR's future direction in mainframe computer development." Mr. Exiey says. "We are using our technology basa in semi-conductors, but rate in the 1980s has been 6.2 per cent, well under notogy basa in sequeculations, systems architecture and soft-ware to move beyond the cost, performance and design con-straints of present computers." Indeed the new generation of

NCR systems symbolises the group's conviction that the

IN THE SHADOW OF IBM



future of the data processing industry lies not ao much in giant mainframes — though NCR accepts such machines have a role where centralised databases are a necessity and admits it would like a bigger share of that market, too hnt in expandabale micropro-cessor-based systems which are able to offer mainframe newer at much lower costs.

"The challenge," says Mr Exley, "was to find a way to bridge the big economic gulf hetween the cost of maintrames and the cost of personal computers."

By using MOS chip tech-noiogy to keep costs down and multiple processors working together to increase pewer, NCR believes it can deliver that promise. Thus NCR hopes It can encourage existing mato-mers to migrate up the new range while attracting other neers by offering features like expandability, the ability to service the equipment while it

is in operation and inberent fault-tolerance, NCR's chairman describes the NCR's chairman describes the industry as being at "a technology crossroads." But he also believes NCR is at a crossroads of its own. The group has consistently outperformed its out of the Bunch.

been 6.2 per cent, well under the industry average of 14.5 per cent, beld back hy economic sluggishness. NCR's shifting strategy and the strong dollar (because of the group's beay reliance on overseas sales). Mi Exley admits: "We have never bad a sustained period of high copportunity is now there."

Wall Street analysts teed to agree, but they have to be finally convinced, noting that NCR will still face a struggle to regain its lost momentum and cantioning that some of group's new operations, including personal computers, have still to become profitable. Some also express concern that NCR may be trying to do " too much at once."

However, analysts spromise in NCR's 12 per cent revenue gain and strong order bookings in the 1985 for quarter and believe that the continuing flood of new products could help NCR sustain double-dist double-digit revenue growt this year. Indeed NCR outshor most of its rivals in the other wise sluggish 1986 first quarter posting a 15 per cent earning gain on revenues which grant the contract of th hy 14 per cent, paced by street

European orders.
But even Mr Exley concess
NCR may not remain immunifrom the industry-wide slow
down. He told shareholdes at the group's annual maging earlier this month that, is view of the comments of either industry executives, "We must allow for the possibility that these gains may not be sustained."

If NCR does manage to sta on its growth course, earning should accelerate because of the group'e rigid expense common and strong financial management. In any event, Wall Street ment. In any event, Wall Street investors seem to be betting the group's management and year strategy can get NGR battern to the fast track. Last year they pushed up NGR's stock price by 56 per cent, almost double IBM's 1985 per cent, share price gain and more than double the 27 per cent increase in the Standard and Poor'a 500 index.

For the moment, Mr Exist.

For the moment, Mr Ener has yet to fully deliver on his

to qualify for attendance. **AGENDA**

NOTIFICATION

Shareholders wishing to attend the

Meeting must notify the Company's

Board thereof either by letter addressed

to Sandvik AB, Legal Alfairs, S-811 81

Sandviken, or by telephone, +46 (0)26-

26 52 70. Notification must reach Sand-

vik AB not later than 3 p.m. on Monday

12 May. In order to qualify for attend-

ance, shareholders must have been en-

tered in the Share Register kept by the

Securities Register Centre (Värdepap-

perscentralen VPC AB) not later than

Monday 5 May 1986. A shareholder who

has had his shares registered ea held in

trust ("forvaltarregistrering") must have

them temporarily re-registered in his own

name not later than 5 May 1986 in order

Items of business which, under the requirements of the Companies Act and the Articles of Association, must be on the agenda for the Annual General Meeting, among them being the presentation of the Annual Accounts and Audit Report, the motions to adopt the Company's Profit and Loss Account and Balance Sheet and the Consolidated Profit and Loss Account and Balance Sheet, the motion to approve the conduct of the Company's affairs by the Directors and the President, the appropriation of the Company's profit according to the adopted Balance Sheet, the fixing of the fees for the Directors and Auditors, and the election of Directors and Auditors.

The Board's proposal for amendments to the Articles of Association. Besides revisions in the wording, the proposal envisages the following changes in sub-

a) The objects of the Company shall be to carry on industrial activities, primanly in the areas of steel, cemented carbide, tools, rockdnlling equipment, mechanical manufacturing, electronics and process systems and in other areas compatible or comparable therewith, to own, manage and trade in real estate, shares and other securities along with other movable estate, and to carry on agriculture, forestry and mining. The Company shall also be empowered to carry on the business of leasing and other financing together with lending and other activities compatible therewith, insofar as such activity does not come within the purview of the Banking Act or the Credit Companies Act. The Company shall be free to conduct auch activity either directly or by equity participation in other undertak-

The Company is empowered to stand aurety or to lodge security in other forms for commitments entered into by its subsidiary companies or its

associated companies. b) The share capital of the Company shall amount to not less than Skr 1,280 million and not more than Skr 5,120 million. These limits apply on the assumption that the proposed bonus issue is implemented.

c) The nominal value of the share is to be reduced from Skr 100 to Skr 25. The Company shall be empowered to

issue shares of Series "A" up to an aggregate amount of Skr 3,000 million (2,400 million) and shares of Series "B" up to an aggregate amount of Skr 2,120 million (1,400 million). The former limits are indicated in brackets.

The tenor of the restrictions on the right of aliens to acquire shares shall be brought into line with current tegslation in this field. The provisions in the current Articles

of Association concerning the quorum of the Directors are to be deleted, whereupon the provisions of the Companies Act will become operative (ABL 8:9).

The provisions in the current Articles of Association concerning the date on which the Annual General Meeting is to be held are to be deleted, whereupon the provisions of the Companies Act will become operative (ABL 9:5).

Anyone enjoying voting rights shall be entitled to vote for the entire number of shares that he represents.

The deadline for notification of attendance at General Meetings shall be 3 p.m. on the date indicated in the notice of the Meeting. The Company shall be free to hold its

Sandviken but also in Stockholm. The right to call for voting by ballot at the Annual General Meeting shall be abolished.

Annual General Meeting not only in

The Board's proposal for the exchange of unvestricted shares of Series "A" against unrestricted shares of Series

The motion to increase the share capital by a bonus issue in accordance with the proposal of the Board. The complete proposals of the Board

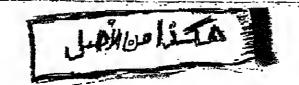
concerning the increase in the share capital by a bonus issue and concerning the amendment of the Articles of Association will be available to the shareholders at the Company's Head Office in Sandviken beginning on 7 May 1986.

DIVIDEND The Meeting'e resolution on dividend

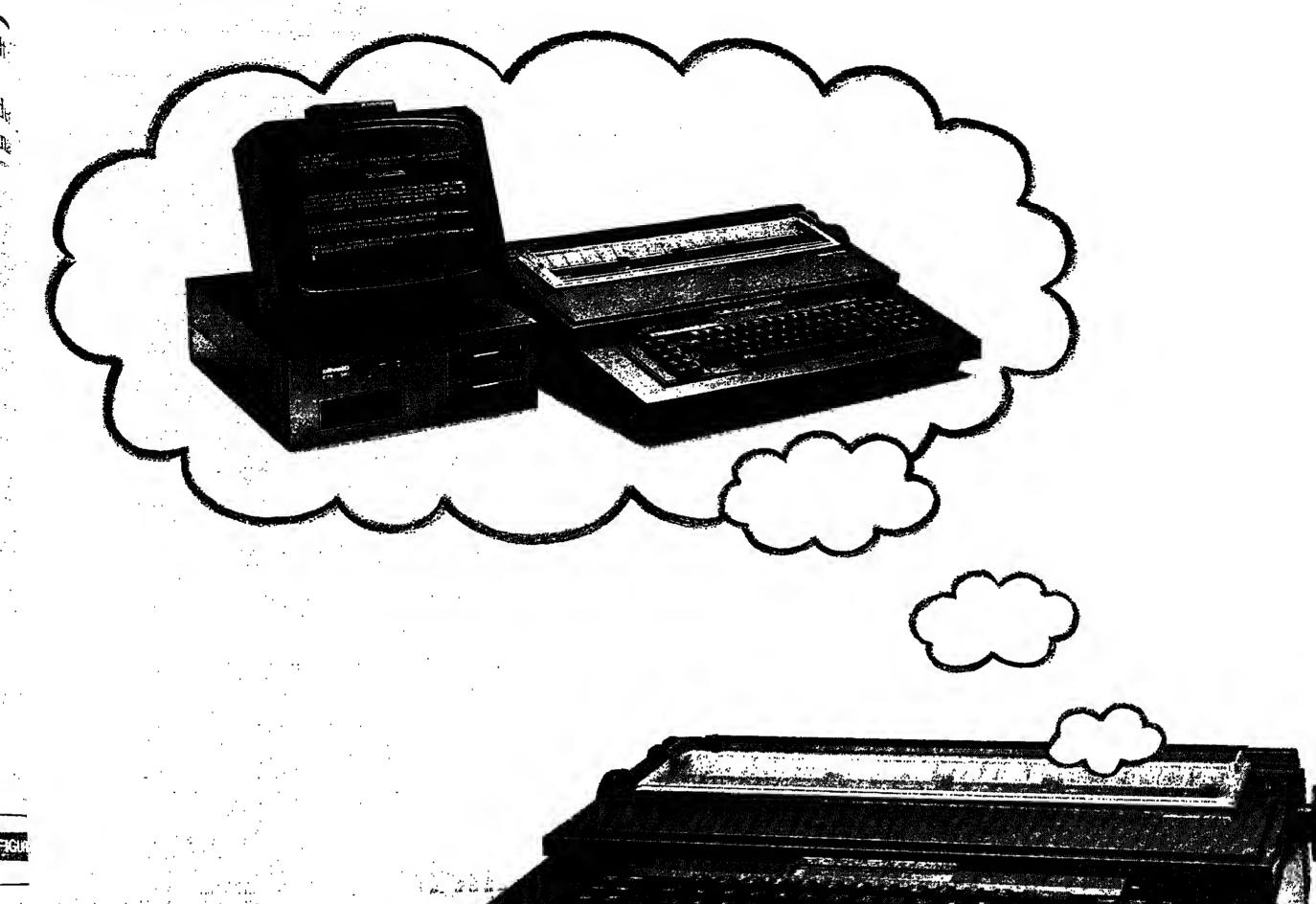
shall fix the day on which the Share Register kept by the Securities Register Centre (Verdepapperscentralen VPC AB) and the List of Assigness, etc. that is maintained in conjunction therewith shall be reconciled. The Board proposes that this "record day" shall be Wednesday. 21 May 1986. If the Meeting adopts the proposal, it is expected that dividends will be remitted by the Securities Register Centre on Wednesday, 28 May 1986, to Those who on the "record day" are entered in the Share Register or in the aforementioned List of Assignees.

> Sandviken, April 1986 The Board of Directors

SANDVIK



Ç,



"When I grow up, I'm going to be a Videotypewriter."

It is always hoped that a company's ambition for growth will be shared by its employees.

But by its typewriters? Aren't we getting a bit carried away?

We don't think so. When you look at the way we've designed our range, you'll see it's a far cry from the buy-now-pay-dearly-later variety.

It's so carefully thought out that you never buy a typewriter more elaborate than you need now; but whatever you start with, it can adapt as your circumstances change.

Take the ET116, pictured

above. It can underline, embolden and centre, all automatically

It even has a 2,000 character storage memory, for frequently used phrases or addresses.

It could be all you ever need.
But what happens if, in six
months time, you've grown,
correspondence to existing clients
has increased and your secretary's
having something of a tornd time?

Do you curse the day you got sweet-talked into an Olivetti typewriter and wish you'd bought a word processor instead?

Not a bit of it. You need change nothing; you should simply

add the ETV350. This is a separate screen and disk drive unit with a working memory of over 20,000 characters and external storage of 320,000 characters on each disk.

Your basic typewriter has suddenly grown up to cope with your new demands.

All the machines in our ET range are designed to adapt in this way: you can use them as high quality printers for a computer, for instance, or connect them directly to a telephone.

But, whatever problems you need to solve now, please call us or fill in the coupon and we'll

be happy to give you some help.

You may even decide to plump for a sophisticated Video-typewriter straightaway. But think about it carefully.

You might be removing the Big Opportunity for your basic typewriter to work its way to the top.

1	Please send me a brochure showing me how to grow my own typewriters. To: Sandra Winght, 8ntish Olivetti Ltd, 86-88 Upper Richmond Road, London SVV15 2UR, Tel: 01-785 6666.
i	Name
i	Position
i	Company
i	Company
i	Tel no
	olivetti

Typewriter systems for unlimited companies.

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BY BOB KING IN TAIPE!

TAIWAN has embarked on a longtariffs and dismantle trade barriers, much impact on imports. but the pace and the scope of changes are limited.

have resulted in major improvelike, said an American economic

The improvements included lowering tariffs on about 100 items tions, to import name-brand Ameri-from a list of 192 which the US presented as offering good potential for American suppliers.

Taiwanese officials insist they tions. are doing their best to lower trade barriers. They point out that changes are being prompted as much by the growing realisation that protecting bome-grown indus-try hurts economic development as by the pressure from major trading partners with which the island traditionally runs up sizable trade

average nominal tariff rate on about 2,000 items imported from 120 largest import item - will probably so-called preferential nations which include the US and most Eu- er. During the first quarter, foreignropean countries - dropped from just over 31 per cent in 1980 to 26.5 tral bank had topped \$25bn. per cent in 1985 and close to 23 per Taiwan's export-oriented

cent this year. The so-called effective tariff rate. a weighted average factoring the to-tal tax paid with the total value of buying from this island. About the goods imported, dropped by 11.7 per only way, theo, to cut into the emcent in 1974 to 7.62 per cent so far barrassingly-high annual surpluses this year, and officials predict it will is for Taiwan to buy more from fall further to 5 per cent within five overseas, and especially from those years. Taiwan also reduced tariffs nations such as the US where its on 1,058 items last year compared trade surpluses are stupendous with 231 the year before. So far in The best way to accomplish that,

Critics argue that in many cases term programme to lower import the cuts are too small to make

De facto import bans irritate many businessmen. For example Talka betweeo Taiwan and the Taiwan has for some years banned US, which bas been pushing the imports of certain high-value conhardest for import liberalisation, sumer goods such as video-tape recorders, largely to protect its own ments, although these have not industries. (The ban oo VTRs will been as extensive as the US would be lifted this summer, however.)

For many more years, its tobacco and wine monopoly has refused with sporadic and short-lived excep and it has imposed extremely high duties and mark-ups oo the excep-

Later this year, the monopoly will begin buying American wine and beer as well as widening distribution channels.
At the heart of the resentment

are Taiwan's continuing trade sur pluses with most of its major trading partners. Total two-way trade of \$50.8bn last year left Taiwan with an overall aurplus of \$10.8bn. Im-The Ministry of Finance says the proved exports, combined with low er prices for crude oil - the nation's push the surplus for 1986 even highexchange reserves beld by the cen-

Taiwan's export-oriented industry certainly is not about to stop exporting, and major importing na-1986 it has dealt with another 1711 Taiwan's economic planners have items,

Taiwan's economic planners have decided, is to cut tariffs.

Pacific rim countries to act on trading rights

BY NANCY DUNNE IN WASHINGTON

PACIFIC rim countries have receot- gress in guaranteeing patent rights ly taken several steps to protect the iotellectual property rights of their • Hong Kong, reported to have intrading partners as a result of stituted strict anti-fraud and counchanges made by the US Congress last year in a programme giving trade preferences to developing had seen an impressive collection

According to investigators from a IBM computers, video games, apHouse energy and commerce subcommittee, who plan to publish their findings in a few weeks new provisions in the US Games 1821 provisions in the US Generalised System of Preferences (GSP) programme bave already had an impact, although the new rules will oot go into effect until Janary 1987. The provisioos would deny GSP privileges to countries which do not liberalise trade and fail to discourage such practices as counterfeiting and patent abuse.

The investigators cited advances

in the following areas:

Taiwan, where they found pro-

and opening markets to imports.

The committee staff members warned that many trade problems still exist with the Pacific rim coun-

tries. They found lower, but still unarily high tariffs in Paiwan, little progress on Japan's promise to allow freer sale of US tobacco products, and loopholes in the US steel import programme which al-low Japan and Korea to exceed their quotas by importing through Thailand and the Caribbean counland, 120 km south of Shanghai, where large Chinese characters have been written on the face of an excavated hill side: "To build a strong country, build nuclear power mants." China The place is Qinshan, where China's first self-made nuclear plant is under construction with as little help as possible

production of chips

The company said yesterday to its offshore production sites, that the main reason for the transfer of production offshore was the higher yen. "It's crushing us," said a Toshiba execu:

Toshiba would pot make public its market share in the

dumping duties approved in the its US market share in spite of US on 256K Dynamic rams the recent anti-dumping moves.

Safeway stores planned
SAFEWAY, THE US SUPER JECTS WILL LOCAL SIGM

market chain, is extending its (29.8m) provided by a group of operations in the Middle East. local investors. Saleway is it plans to open its first store in supplying managerial and tech-

Cairo in August and a second nical expertise, and intends to some time next year, Our Cairo market local products under the

from foreign nuclear com-panies, some of which had once estimated the nuclear technology market here to be worth up to \$20bn. In past months, the central government has scaled down ambitious plans for 10 nuclear power stations by the end of the century. The number of stations now depends on how quickly China can master the art of nuclear technology, as

the Government has decided the price of imported stations

is beyond its means. Qinshan—intended to 00 MW though Ch though Chinese nuclear industry officials are ing of plans to relocate the pushing for expansion to plant closer to Shanghai.

1,500 MW—has been a long time in the making. The \$300m the power station in March was approved OD

BY CARLA RAPOPORT IN TOKYO

shelter from the effects of the higher yen and international

chips in Malaysia to 1m units a

month this autumn and quintuple its West Germany pro-

duction from about 400,000 units

Second, and almost as import-

ant, the move protects Toshiba from the effects of recent anti-

Correspondent writes,

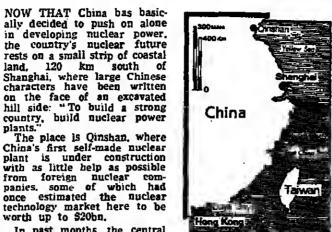
It already has two outlets in Saudi Arabia and another in Kuwait. There are also plans for a first Safeway supermarket

Investment in the Cairo pro-

a month to around 2m by July.

The group yesterday confirmed that it will double its output of 256K dynamic ram

Germany, I create jobs.
The investigation



February 8, 1970, but delayed by the chaos of the Cultural Revolution (1966-76) and by the vacillation of the Chinese

China yesterday called for an end to curbs on its axports to the European Community which it said beld back sales while imports from the EEC boomed, Reuter reports from The Peking Review said

China tries to master the nuclear arts

China's Imports from the EEC last year increased more than 50 per cent over 1984 to \$5.24bn (£3.5bn). Exports te \$5.24bn (£3.5bn). Exports to Community countries rose only 2.3 per cent to \$2.19bn. The magazine called on the Community to classify China as a developing country and said Peking could only buy more from the EEC if it could export more.

tian date is December 1988, though foreign experts say long delays should be expected. The reactor tower has been Government.

At a meeting with foreign in the caravated site, about in the last that the Three.

Mile Island accident in the Industry is confident of getting US in 1979 had slowed propaparousl for another 600 MW reactor, but the first of those reactors is the first of those reactors is still under review by the central government, as is the comptry,?

However, it is certain that

a stark contrast to the Daya Bay plant, for which the imported reactors and turbines will cost China an estimated \$1.7bn. The assistant director

BY LAURA RAUN IN AMSTERDAM

AKZO, the Dutch chemicals and

fibres group, and Du Pont, of the US, may be edging towards

a legal settlement of their decade-long battle over patents involved in their respective

Enka, Akzo's synthetic fibres

subsidiary, indicated yesterday that it boped Du Pont would

seek another meeting to discuss an out-of-court settlement fol-

lowing failed talks in London

The Dutch company also said

it would wait a month to decide

wbether to appeal an adverse

court decision delivered on April 24 in Richmond, Virginia, declaring one of Akzo's patents

Aramid fibres are extremely

strong, beat resistent and light weight and can be used in a

variety of products including bullet-proof vests, high-per-formance tyres, and aerospace.

parts. The worldwide market is estimated at billions of

Du Pont has been making its aramid fibre, called Reviar, for some years while Akzo plans

of its twaron fibre at the end of June following several

Asko has reacted with much

more reserve than in the past to the Richmond court decision, the second US setback in the

delays.

ercial production

past year for the Dutch company company's patented process.

aramid fibres.

on April 22,

Akzo and Du Pont

may be near deal

However, it is certain that the opportunities for foreign companies will be far more elimited than had been envisaged up to even a few weeks ago. The only exception is the LSO MW Paya Pay plant in southern China, for which France's Framatome and Electricite de France and Britain's GEC aiready have agreements to supply equipment.

A planued 2,000 Mw plant at Sunan, to the north of Shanghal, has been postpound imbelioticity, to the frustration of Franceing and West Germany's Kraftwerk Union which had been negotiating with the fininese for conflicting information on the Gorden Conflicting information on the foreign content of their project. Mitsubishi of Japan is to supply a reactor vessel Framatome will provide neutron flux and companies will supply fire resistant cable and pumps.

In all, the foreign contribution is estimated at just \$50m, a stark contrast to the Daya Bay site was chosen because, by

will depend on the finctuating nuclear mood of Peking's powerhrokers and on the skills Chinese technicians are sup-posed to acquire during this first

Trade Commission(ITC).

ITC ruling. .

pective patents.

Akzo did not use the vitrio-

lic language used in reacting to the ITC import ban imposed last autumn and may be worried about the court decision's dama-

ging effect on the appeal of the

The Dutch company is fight-

Because of Akzo's weakened

position it would prefer that Dn Pont seek the next meeting

to discuss a possible compro-mise in which compensation would be pald for the use of res-

The failed negotiations in

ressed a willingness to meet

London were held at the request of Du Pont and both sides ex-

court battles over their dis-puted patents in seven countries.

In the Richmond case Akzo

asked the court to declare valid

its patent for a solvent called NMP calcium chloride. A rul-ing in favour of Akzo could

have resulted in Du Pont hav-ing to pay Akzo for the use of the solvent in making Kevlar. Du Pont officials said that the

court had ruled Alzo's patent invalid on the basis of the pre-vious information available to the ludustry outside the Dutch

again, according to Enka. Akzo and Du Pont are waging

ing another US court case in

Wilmington, Delaware.

Canadian Opportunities for foreign energy equipment groups will be limited, reports Robert Thomson airline rivalry intensifies

STRONG rivalry for Interna-Canada's two leading airlines has been revived by the rapid expansion of traffic to the Far

Air Canada, the state-owned carrier, has launched a campaign to hreak the Governmentsauctioned monopoly on trans-Pacific routes to Australasia, south-east Asia and Japan held by Canadian Pacifia Air Lines. a subsidiary of the Canadian Pacific Transport and Industrial Conglomerates.

Mr Michel Fournier, vice-president for international passen ger marketing, said that Air. Canada was especially keen to begin services to Seoul, which is not served by GP Air.

Er-vellers between Canada and South Korea now have to change planes either in the US

or Japan. Mr Fournier indicated that Air Canada may also be in-terested in providing flights to Osaka, Taipei, Manila, Jakarta and Kuala Lumpur.

International routes from Canada have traditionally been divided by the Government be-tween Air Canada, CP Air and charter airlines.

Air Canada is the main carrier to Western Europe and the Caribbean. The authorities in Ottawa, however, are moving towards deregulation of both domestic and international routes.

Wardair, an Edmonton-based airline, was designated last year as the second scheduled following a US import ban imposed by the US International carrier to Britain.

CP Air said it might be willing to face competition from Air Canada across the Pacific if it were given traffic rights on some of the state airline's. Incrative trans-atlantic routes. including Paris, Frankfurt and London. CP Air's European services are limited to Amsterdam and the Mediterranean. CP Air will launch a major

expansion of its Asian services this week. It will introduce daily flights between Vancouver and Tokyo, begin the first direct flights between Canada and China (to Shanghai) and increase frequencies on its Hong Kong route.

The Vancouver-based airline resumed flights to New Zealand last autumn, and plans services fo Peking, Bangkok, Singapore

and Seoul.

Air Canada gained a tochold in Asia last year by extending Ats European services eastwards to Bombay and Singapore. The airline argues that while its sir-Canadian scheduled and chartered airlines provide 150 flights a week across the Atlantic, CP Air lays on only 19 trans-

Air Canada is to introduce a weekly flight between Toronto and Manchester as part of an expansion of its trans-atlantic services. It will also start a daily service from Calgary or Edmonton to London, Existing daily flights from Vancouver to London will all be non-stop.

Work eventually began on the power station in March 1984. The projected comple-

Germany, It said, would not

The investment to increase

production in Malaysia and West

Germany, it said, will amount to "a few billion" yen. (Ylhn is now worth nearly \$6m.)

It will ship partly-made chips

US, but said it was smaller than those of NEC and Hitachi, It added that the moves would

hopefully allow it to majotain

company logo.

"There is tremendous potential in Egypt in terms of consumer demand, and nobody else can compete with what we will be offcring," said Mr Raymond Patterson, Safeway's

28th April, 1986

Toshiba lifts offshore Turkey and **EEC** agree textiles deal

By Maggie Ford in Ankara

TOSHIBA, one of Japan's lead-imported from Japan, ing electronics companies, is Toshiba's decision follows TURKISH TEXTILE projoining the growing ranks of similar moves by leading Japanese groups which are stepping up offshore production to NEC, Hitachi and Matsushita. ducers have wen favourable concessions on the volume of exports to be allowed into the European Community under Toshiba would not say whether jobs would be lost io Japan. The expansion io West an agreement reached with EEC officials in Brussels. The agreement, which is to last for three years, has the backing of the Ankara Gov-

ernment, according to Mr Mahir Baruteu, under secretary at the Department of Treasury and Foreign Trade. Exporters will be allowed rates of growth in the volume of textiles sent to the EEC ranging from 3 per cent to 6 per cent a year over the three

years. T-shirt experts will rise this Tehirt exports will rise this year to 33m garments, compared with 25m in 1885, and a 5 per cent growth level has been agreed in this extegory. Shirt exports will go up from 13m garments in 1985 to 14.3m this year, and a 3 per cent growth rate will be allowed. Rates of growth on bed sheets will be 6 per cent, with 4.5 per cent on sweaters and 4 per cent on ladies' blough Turkey was happy

Although Turkey was happy with the EEG agreement, Mr. Baruten said the textile industry was still running at only 60 per cent of capacity because of protectionism in

other markets.
Negotiations with the US. where Turkish textiles exports were worth \$80m (£53m) last year, wera proceeding but with no sign of success, he

Vietnam alters foreign investment law

By Chris Sherwell, South East Asia Correspondent VIETNAM'S communist government is radically altering its law on foreign investment and anxiously seeking additional Western economic

assistance, a delegation of British members of parlia-ment has learned.

The eight-man delegation, members of the House of Commons Select Committee for Foreign Affairs, visited Hanol and He Chi Minh City for three days earlier this month as part of a South East Asian toor. It was the first official British team to go to

Victuam in several years.
Two members said privately that the Hanol Government was making some "extraordinary un-Marxist gestures" in economic policy, and one said these indicated that Vict-nam was in "desperate need" of help.

The team, led by Sir Anthony Kershaw, the com-mittee's Conservative chairmitter's Conservative chair-man, was shown a draft law on inward investment, plans for which first surfaced publicly late last year.

The draft law is said to offer 19 per cent ownership to foreign investors, rights to repatriate all profits, a suparantee assignt nationalism.

guarantee against nationalisa-tion, free movement in the country and non-interference in labour.

Marconi wins Eutelsat order MARCONI Space Systems of the UK, as part of a consor-tium with Aerospatiale of France, has been chosen by Eutelsat, the European satel-

lite organisation, to supply three communications satellites, the first to be launched in 1989, writes Michael Marconi will supply the

communications system for the satellites with options for five more. The deal will be worth up to £75m to the UK company over the next few

NOTICE OF INCREASE OF AMOUNT OF **ANNUAL REDEMPTION**

ALEXANDER HOWDEN FINANCE B.V. US \$30,000,000 9½ per cent. Guaranteed Bonds 1991 (the "Bonds")

NOTICE IS HEREBY GIVEN that, pursuant to Condition 5(a) of the Bonds, Alexander Howden Finance B.V. has elected to increase the annual instalment of Bonds which are to be redeemed on 1st June, 1986, by US \$2,374,000 from US \$3,500,000 to US \$5,874,000, representing the aggregate principal amount of all the outstanding Bonds.

On 1st June, 1986, there will become due and payable upon each Bond so to be redeemed the principal amount thereof together with accrued interest to that date. From that date, interest on the Bonds will cease to accrue. Subject always as provided in the Conditions endorsed thereon,

payment in respect of the Bonds will be made on or after 1st June, 1986 upon presentation and surrender of the Bonds, together with all unmatured Coupons, at the office of the Principal Paying Agent or of any of the Paying Agents as mentioned below, all subject to any applicable fiscal or other laws or regulations. The amount of any missing unmatured Coupons will be deducted from the sum due for payment. Any amounts of principal so deducted will be paid against surrender of the relative missing Coupons at any time within 10 years from the relevant date (as defined in Condition 7 of the Bonds) in respect thereof.

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In Jordan.

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Graham Marson, Distribution Manager of The Boots Company, has just achieved one of his aims: the company truck fleet is totally Ford.

"When I took over, we ran four different makes," he says, "But nothing matched up to the Cargo.

We operate across the range, from 7.5 to 32 tonners."

Boots trucks visit all their retail branches in the Midlands, in all weathers, every working day. (Distribution in the rest of the country is handled by independent hauliers.)

The Cargo's mainage are very reasonable at the drop of a hat.

The Cargo is very reasonable at the drop of a hat.

The Cargo is very reasonable at the drop of a hat.

"We regard the Cargo as a very reliable vehicle," says Marson, "It has to be. We don't carry spare trucks, and we can't afford to miss a delivery.

Transport is becoming a more and more important part of retailing.

I believe the successful retail company

I believe the successful retail company of the 90's will be the one that uses distribution best.

The Cargo's maintenance and fuel costs are very reasonable. And we can get spares at the drop of a hat.

The Cargo is very satisfactory on driver comfort. And it's good to look at: we want

smart vehicles outside our shops making deliveries.

We see reliability and quality as advantages of The Boots Company and we demand them of the tools we use.

The Cargo does what it's asked to do with efficiency and reliability.

And that's exactly what you want."



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New Issue April 29, 1986 This advertisement appears as a matter of record only.



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And rugs from Central Asia, Afghanistan, Czarist Russia, Caucasus and other hand weaving centres of

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SWITZERLAND

UK NEWS

Lucy Kellaway and Tony Jackson on the rise of an obscure Welsh company

Papermaker builds from basics

packaging company with the undistinctive name of David S. Smith became one of the largest paper man-

Three years ago David S. Smith was a loss-making cigarette carton manufacturer, cootending poorly with a shrinking market, at war with a dissatisfied workforce, and with sales of barely £5m.

Since then it has pulled its house into order and made a series of ambitious acquisitions, each one doubling the size of the company. The £74m bid launched last Wednesday for St Regis, the UK paper and packaging concern that was bought out by its management less than a year ago, was by far the most dar-

The new group will be capitalised at about £150m, have sales of about £200m and will be the fourth largest paper manufacturer in the UK. It will also be a leading maker of corrugated cardboard, with about 15 per cent of the UK market, and in addition to the original cigarettecarton business it will have toebolds in specialist markets.

The merger is part of a muchtough market. Demand for corrustatic for a decade, and the market acquire a strategic stake fairly is afflicted by a degree of overca-cheaply. David S. Smith, which had

BY RAYMOND SNODDY

Expansion is being considered

because several large organisa-

tions, City of London institutions

and corporate groups are believed to have approached News (UK) to discuss the possibility of investing. Mr Eddie Shah, chief executive of

News (UK), confirmed yesterday:

new newspapers and are actively

discussing funding for these with

several investors, many of whom have approached us directly."

Shah says City likely

to back more titles

THE BOARD of News (UK), pub- the next 12 months. Mr Shah is de-

lisher of loday, the new colour tab- termined to try take advantage of

loid oewspaper, will cext month what he sees as the opportunity.

"We are now working on plans for Mr Tooy Rosser, one of the pio-

newspaper in the UK.

Mr Shah emphasised that he

Today, which he said was selling

more than 600,000 a day, was firmly. established. Advertising revenue

for the first month was £2.66m net.

neers of free newspapers, has

called in the receivers at his compa-

In such a market it is essential to be a low-cost producer, and it helps ufacturing and processing groups in to be big. The oew group will be among the three largest in the market. Its 15 per cent market share probably makes it joiot second with UK Corrugated (a three-way joint venture between the Irish group Jefferson Smurfit, Macmillan Bloedel of Canada, and Assi of Sweden), behind the 18-20 per cent

held by Reed. The architect and builder of the group is Mr Richard Brewster, formerly finance director of Giltspur. the industrial services group taken over by Unigate in 1981. Frastrated at being part of a large group, he decided to strike out on his own.

The paper and packaging indus-try may have seemed an odd one for him to have chosen, especially as he had no particular expertise in the field. But Mr Brewster explains: "It was a sector that had had a good time and then had suffered badly. It was not regarded as sexy, and there were bargains to be had."
He believes that as long as com-

panies can be made to work efficiently they will do well, but that efficiency in a competitive market reneeded process of rationalisation in quires beavy capital investment. The first step was to find a quot-

gated board in the UK has been ed company in which he could

aginative marketing and reluctance can make money out of orders to invest were among the causes of worth less than £100, and over the the company's difficulties. Mr

Brewster, capitalising on the com-pany's skills in cutting and creasing cardboard, has started selling to the food industry, has committed £2.5m to buying new Japanese carton printers, has cut overheads and has improved morale. The first acquisition, made a year

later, of Western Board Mills, was less in need of Mr Brewster's intensive care treatment. The company, also based in Wales, is a specialised manufacturer of board, used in the inside of shoes and the back of televisions, and because of its low cost base, has become the biggest me facturer of its kind in the UK.

However, under new ownership, Western's horizons have been widened, and it has started to export to the US and Europe. . However, it was not until the acquisition of Abbitrin, itself the spur

for the St Regis deal, that the present-structure of the group began to

Abbitrin, a highly efficient many facturer of corrugated cardboard, is kind ma one of the industry's recent success stories. It was started in 1972 by kraftliner, is imported.

LAST WEEK an obscure Welsh pacity which, if anything, is getting an aging chairman who wanted to four former Bowater managers who packaging company with the undis-

a suitable target, and with City of sale that the deal profit-London backing he bought the stake in August 1983 for 2736,800.

Bad industrial relations, unimequipment, Abbitrin boasts that it

past 10 years has secured 5 per cent

of the UK corrugated market. Given Abbitrin's success in the area, the acquisition of St Regis, e big corrugated board manufacturer, seems to make industrial sense. St Regis has twice Abbitrin's capacity. while Abbitrin has more work than

it can manage. Parts of the St Regis operation are standard, long-run - dult even that is where we can help them." says Mr Brewster...

Its is the other main plank of St Regis, paper mills, that has been generating most of the company's profits. While other UK paper mills have gone bankrupt. St Regis has continually invested in new machinery, and claims to produce as cheapiy as anyone in Europe.

Moreover, its paper, which is con-verted into corrugated, will provide Abbitrin with a stable long-term source of supply. That might be par-ticularly useful in the near future.

Barring waste-based paper of the ind made by St Regis, the basic. material for corregated, known as-

Clampdown on groups which fail to file returns

BY ALICE RAWSTHORN

THE DEPARTMENT of Trade and panies that fall to file their annual which are obliged to file annual acaccounts and returns

consider plans for expansion and opened up by Today, the first elec-the launch of several national tronically produced national colour An advertising campaign will run lew weeks, paired with a more ag-. would only press ahead with new papers when he was satisfied that gressive stance from the Compa-nies Registration Office (CRO) in

taking action file accounts within six weeks.

In the past company directors and returns within six weeks.

have tended to take a fairly casual gradual deterioration in companies and returns," said Mr Stephen Cur-

tis, the registrar for England and

A planning group has been set up more than 400,000. The group is criminal offence and that the DIT "reminders" to companies a month-

There are just under 1m compa Industry (DIT) yesterday launched nies in England and Wales -98 per. a campaign to clamp down oo com- cent of them privately owned counts and returns.

in national newspapers for the next - file accounts within 10 months of the end of their financial year and . returns six weeks after their annual meeting. Public companies have to file accounts within seven months:

efficiency.

Since then the situation has imcalled in the receivers at his company Wales.

The campaign is intended to rehas been more diligeot in monitore titles with a total circulation of mind them that failure to file is a long the rate of return. It now sends

the state of trees and the mailtons of white on elimine on the contract to said

"JAPANESE MANAGEMENT SERIES"

INSIGHT INTO CORPORATE STRATEGY

一 新時代の企業戦略 ―

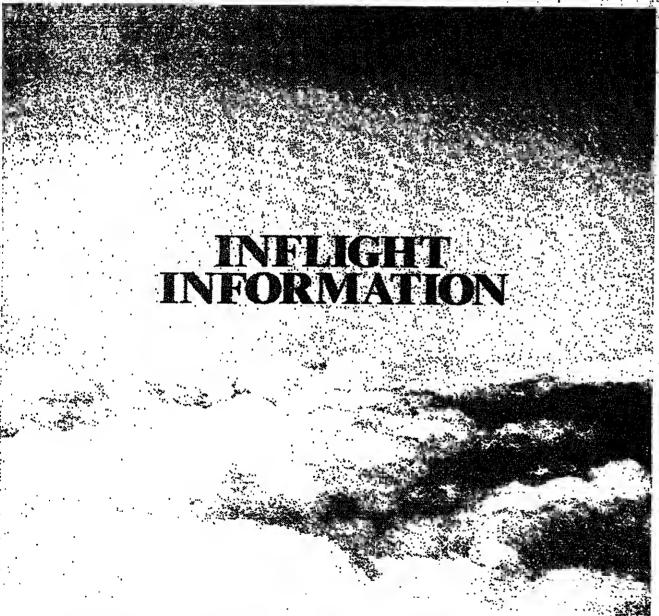
The Japanese Management Series, an insight into Corporate Strategy. will start in the Financial Times on Tuesday 6 May, highlighting the result of interviews between a number of Japan's leading industrialists and Glenn Davis, a distinguished journalist and commentator on Japanese affairs who has spent more than a decade in Japan.

The series will look at the highly competitive environment that many industrial, commercial and financial companies are operating in and how their methods of trading, financing, marketing and servicing have gradually become more sophisticated and complex.

The series will also cover the shift in emphasis of corporate strategy by many Japanese companies from the domestic market towards heavier overseas investment, massive capital spending on technology and research end the establishment of global operations, as a result of mounting externel pressure over the trade imbalance.

Look out for this informative series of advertisements which will start. in the Financial Times on the 6th May 1986.

> FINANCIAL TIMES EUROPES BUSINESS NEWSPAPER LONDON FRANKFURT NEW YORK

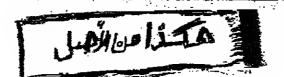


On behalf of all those business travellers who use their flying time profitably, the Financial Times would like to say thank you to the following airlines for carrying copies all over the

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Lines. Eastern. Egyptair. El Al. Ethiopian. Airlines. Finnair. Ghana Airways. Gib Air. Gulf Air. Iberia. Iceland Air. JAT Yugoslav. Airlines. Japan Air Lines. Kenya Airways. Kuwait Airways. KLM. Lufthansa. Luxair. Maersk. Malaysian Airlines. Middle East Airlines. Northwest Orient Airlines. Olympic Airways, Pakistan Airlines. Pan American World Airways. Peoples Express. Philippine Airlines. Qantas. Royal Air Maroc. Scandioavian Airlines System. Sabena. Saudi Arabian Airlines. Singapore Airlines. South African Airways. Swissair. TAAG Angola Airlines. TAP Air Portugal. TWA. Thai Airways International: Tower Air. UTA. Varig Pacific Air. Cathay Pacific. Continental. Airlines, Viasa. Virgin Atlantic. World Crossair. Cyprus Airways. Dan-Air. Delta Air Airways. Zambia Airways.

Feel free to ask for your Financial Times.



Hambros and Mann in agency merger

THE UK's largest estate agency is Bairstow Eves, the subsidiary of Hambros, and Mann & Co, one of the country's first publicly quoted

estate agents. The new group, which will be 61 per cent owned by Hambros, will be structured specially to supply the broad range of financial services

house-buyers need. -The merger is to be achieved through a complex deal by which Mann will acquire Bairstow Eves and then itself be acquired by Hambros. The acquisition of Bairstow will be accomplished through the issue of 26.8m Mann shares on terms which have already been accepted by Hambros and by Bairstow's management, which owns just over

20 per cent of the equity. This deal is being underwritten by Morgan Grenfell at 350p a share,

At the same time, Hambros will offer to buy 40 per cent of the Manz shares owned by Mr J. M. Agace, the chairman, and Mr P. H. Locke the chief executive, Mann's largest private shareholders, and 60 per cent of the shares owned by the

These will be financed by an issue of 15.8m new Hambres shares. underwritten by Guardian Royal Exchange at 2800 a share, giving this part of the deal a value of about

The result will be a company in which Hambros owns 61 per cent, Mann's management 11.2 per cent, Bairstow Eves' management 10.3 per cent, the Guardian Royal Exchange 2.5 per cent, and the public 15 per cent.

Hambros has decided not to go for total ownership in order to leave the management with a stake in the oew company, and to preserve a Stock Exchange listing so that Mann/Bairstow Eves shares can be used to finance acquisitions of further estate agencies. These will be initially in the Midlands and Bristol, west of England areas where representation is thinnest.

Mr Charles Hambro, the chairman of Hambros, said the deal reflected the view that the retail market place revolutioo was just as important as the changes in the wholesale financial markets in the

full-function unit.

Approval likely for £800m BP gasfields

THE GOVERNMENT is expected thought to be offering BP a price of next week to give the go-shead for about 25p e therm for gas from its an £800m plan by British Petroleum new gasfields. But when the fall in

spurn, contain about 1.3 trillion will be warmly greeted by the De-(million million) cu it of gas, equiva-lent to about 4 per cent of UK prov-shrunk to half the size originally en reserves. Gas is likely to start claimed by BP in 1994. Then BP flowing from the fields into the was conducting a vigorous cambritish Gas network by the fourth quarter of 1988.

The BP plans are likely to start claimed by BP in 1994. Then BP plans are likely to be oped gas to do without the SSPs of the little by the Consequence of the little by the litt

hailed by the Government as a sign that oil companies are still pre-pared to go ahead with big develop-the Government accepted this arguments, even when their revenues are falling as a result of the halving of the oil price.

it was scrapping a £2.5hn plan to de-velop the Gannet cluster of cilfields in the North Sea. But in February, Conoco said it would press ahead with a £850m project to develop three North Sea gasfields. Gas projects have not been hit as

hard as North Sea oil develop-ments, since British Gas's price paid to the oil companies is only about 50 per cent linked to the price of oil products. British Gas is

to develop two North Sea gasfields oil prices has worked through the about 30 miles off Humberside, had in the British Gas contract, the north-east England.

The fields Cleeton, and Raven-Although the BP development

ment and vetoed British Gas's deal. As part of its campaign, BP in March 1984 revealed that it would Last week Shell announced that develop four North Sea gasfields twas scrapping a £2.5bn plan to de-which it claimed contained 2.5 trib lioo cu ft of recoverable gas, and which could be brought into produc-tion by 1987. BP claimed that it would be a £1.3bn development which would create 7,000 jobs. BP Ravenspurn, Hyde and Hoton, after four Yorkshire villages which had disappeared as a result of coastal

Norwegian gas that British Gas was

North Sea oil jobs, Page 13

take place while officers main-

Hurd, Home Secretary, the POA exprisoners. ecutive met to consider the union's next move - facing a choice be-tween calling off further action to allow talks to begin, or intensitying

ultimate in portable audio. With the CD 555, we've

"deeply concerned" that industrial action was continuing in several

Early City | trading starts with

a yawn

THE EARLY-MORNING trains into London's Camon Street station were fuller than usual. The proprietors of City of London breakfast bars were surprised to discover queues building np when they first opened their

The offices of brokers and job-The offices of trokers and job-bers were buzzing with activity well before eight o'clock in pre-paration for their morning meet-ings and telephone calls.

But when the Stock Exchange opened its doors yesterday at the new, earlier time of nine o'clock,

trading began with a whimper The reason was that the large in-stitutional fund managers, who control most of the orders for buying and selling stocks and shares, failed to share the enthufor early rising.

Yesterday was the second time that the opening hour for the gilts market has been moved forward. And some of the brokers and jobbers are worried that if the opening hours are moved forward any further they will have to give np their out-of-town homes and move into Central London. "There are just no trains

that can get me in before 7.50 am," said one. Several blamed the introduc tion of the nine o' clock opening on the pressures and aggressive competition from US securities houses - who favoured the move. It was the London and Inter-national Financial Futures Ex-BY PHILIP BASSETT, LABOUR EDITOR

change (LIFFE), in response to pressures from Asian and Euro-pean investors, that asked the Stock Exchange to open half an hour earlier to permit the earlier trading of its futures contracts on ties and the Financial Times Stock Exchange 100 share index. Mr Michael Jenkins, chief ex-ecutive of LIFFE, said that about

8 per cent of the day's trades in these two contracts took place in the first half-hour before 9.30, although it was impossible to say how many of the trades would have taken place any way. "We cannot afford to ignore the in-creasing interest in the gilt market, particularly from the Far East," he said. From upbear pop music to serious business messages,

Trustee Savings Bank given court clearance for flotation

BY RAYMOND HUGHES AND DAVID LASCELLES

(TSB) bas won the High Court dec- bank's lavour. laration it was seeking to allow its planned £1bn flotation to go ahead. Mr Justice Scott yesterday beld hat depositors in TSB England and Wales had no legal claim to its assets beyond a right to be repaid,

with interest, their deposits.

The case was brought by the TSB in an attempt to speed a legal ver-dict on claims that the bank was owned by its depositors which have dready pushed the flotation back from the original target of last

February.

Now, subject to whatever appeal may be launched, yesterday's ruling points to e possible autumn flotaion for the bank.

The judge also said the bank's as-sets were held, subject to statutory provisions and to the bank's rules. on trust to provide for repayment, with interest, on deposits.

This was something less than had been sought by the bank, which had sked the court to hold that depositors had no rights in the assests beyond a contractual right to repayment of their deposits, plus interest. Sir John Read, TSB chairman, said: "We are pleased the case has been decided in our favour and we will be meeting the Treasury to disruss the way ahead."

The Rev John Vincent, e deposi-

MR ROY HATTERSLEY, Labour's

deputy leader, yesterday mapped out in the party's clearest terms so

far what it sees as its new relation-

ship with the trade unions in the

run-up to a general election.

Mr Hattersley's comments, in a

speech to the annual conference of

the shopworkers' union Usdaw,

come in the wake of a series of

statements by prominent unioo leaders suggesting the need for

workers to exercise voluntary self-

discipline over pay rises, in order to

THE TRUSTEE Savings Bank had only half been decided in the "Depositors retain an interest in the assets and the Treasury must

think twice before declaring the flotation " Dr Vincent said. The Treasury said it was studying the judgment and bad no com-

ment et this stage. Dr Vincent may appeal. The judge gave leave for any appeal to go straight to the House of Lords. The intention is that any appeal will be heard, probably in June, in conjunction with a possible appeal in a similar case brought uns

fully in the Scottish courts by Mr James Ross, a depositor in TSB The Scottish appeal court, rejected Mr Ross's claim that the bank

was owned by its depositors. The TSB reorganisation, envisages the transfer oo a vesting day to be appointed by the Treasury, of TSB England and Wales, and its sister institutions in Scotland, Northern Ireland and the Channel Is-

lands, to new companies. The shares of those companies would be beld by a new holding company, some of the shares of which would be offered to the

Dr Vincent was disturbed by what he saw as a change in the character of the bank - from a philanthropic institution concerned tor whose opposition to the plans to with the interests of its depositors, reorganise the TSB prompted the to a commercial bank operating for

possible its links with them, But Mr

the Labour-unioo policy was "essen-

tial" both for a Labour victory and

for the success of the Lebour gov-

He stressed, however, that neith-

er partner should dominate. The

Government has made much of

what it sees as the unions's over-

weening influence oo the party.

ernmeot which would follow it.

Hattersley said that an extension of

The judge said that, until 1828 surplus assets of the TSB had been returnable to depositors. In that year, a new act had provided that surplus assets could not become payable to depositors, and subsequent acts had been drawn oo that

The TSB was not an ordinary corwith its depositors was different from that of an ordinary bank. TSB depositors could, in the last resort, control the management through removal of the trustees who managed the bank.

The depositors were entitled to be supplied with the TSB's latest audited accounts, and could appoint commissioner to examine bank's affairs.

Those statutory provisions recognised a relationship going beyond the contractual relationship betweeo a depositor and an ordinary

Accordingly, since 1828, TSB de-positors had been entitled to regard positors had been entitled to regard cies and that the privatised water the bank's assets as held upon trust companies act in the public to provide for repayment of their deposits with interest.

Sir John will be seeking a meet-ing within a week with Mr Ian Ste-wart, the Treasury minister responsible for the sale of the TSB, to discuss the next steps. The TSB bas been keeping its launch machinery within three months of e go-ahead

policies of a great reforming gov-

Instead, the two sides bad to

agree oo priorities and work out

how they could be achieved. Em-

ployment would be first on the

agenda. Other programmes and pol-

lcies - including wages - would bave to take their place "further back in the queue."

the party should minimise as far as icies which it knows to be wrong.

tion control. The proposals, announced in a Green Paper (consultation docu-ment), follow fears expressed by trade unions, Labour MPs and other opponents of privatisation their strict environmental standards may be relaxed ooce water supply is sold The scheme for an inspectorate

Pollution

safeguards

water sale

THE GOVERNMENT moved yes-

terday to meet some of the maio ob-

ections to the privatisation of the

water industry by announcing plans for strict environmental safe-

guards, including the establishment

of an inspectorate to monitor pollu

By Richard Evans

planned for

one of e wide range of recommen dations, is designed to ensure that ministers retain overall responsibility for national environmental poli-

Inspectors would advise the Environment Secretary not only on bow effectively the new Water Service Public Limited Companies (WSPLC) monitor water quality and control pollution by others, but also on their own performance as abstractors of water and dischargers

The document proposes that quality standards for natural waters, at present imposed voluntarily by the regional water authorities, should Labour calls for new union link e given statutory backing. There are also proposals to ensure that the companies allow boating, fish-"You scratch my back and I'll scratch yours' is not an adequate

Present plans for the privatisacontentious of the Government's lengthy list of privatisation plans, are for legislation to be introduced in the autumn at the start of the oext parliamentary session.

The 10 water authorities in England and Wales would, under the terms of the bill, be taken under government control and then be sold separately.

The hope of ministers is that up to five authorities, probably starting with Thames, the largest, will be in private bands before the next electioo. At least £5bo should be raised by the sale of the first five.

Prison officers discuss next move by union

tion over manning levels.

Philips provides you with perfect sound.

THE GOVERNMENT told leaders industrial action, although some acof the Prison Officers' Association tion was still continuing at three (POA) yesterday that further talks with the Home Office could not was in force; Gloucester, where offitained their current industrial acter Crown Court; and Nothallerton ion over manning levels. youth custody centre, where offi-Following talks with Mr Douglas cers were refusing to admit new

Mr Hurd said after the meeting that he had told the POA he was it. The meeting was continuing last prisons.

He gave clear backing for moves The talks with Mr Hurd were by prison governors to reduce their held following a suspension of the operating costs, and in particular POA's programme of fresh national spending on officers' overtime.



ming facilities and complete freedom from disc wear. But as well as the great sound of Compact Disc, this advanced CD Sound Machine also has a top-quality autoreverse cassette deck and a 4-band tuner. Plus a 50 Watt amplifier, built-in graphic equalizer and detachable 2-way loudspeakers.

packaged all the benefits of Compact Disc in an easy-to-carry,

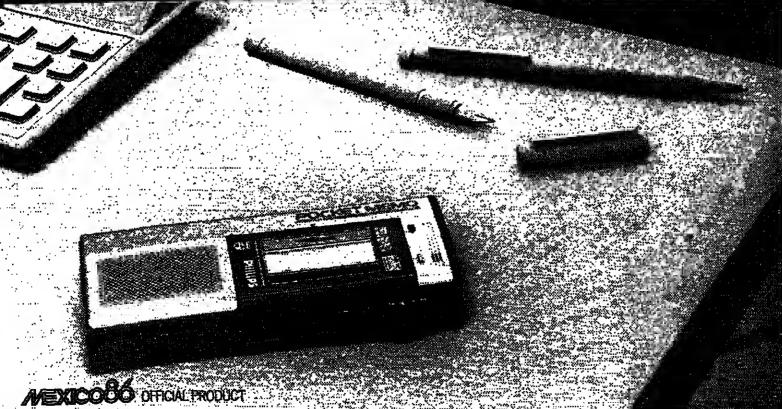
For example, our latest Sound Machine gives you the

That means outstanding sound quality, full program-

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PHILIPS

rnest Hardy had an extra-

ordinary air about him that

caused people to stop and stare

quizzically and marvel at what

manifested itself as persistent good

fortune. Luck, however, played

FROM HUMBLE BEGINNINGS,

MIGHTY SYSTEMS GROW

phone system from British Telecom

in Hardy's balloon broking business

was a perfect example. When he

installed this system, his sanity was

quietly questioned. Here was a

system capable of carrying around

120 extensions and Hardy was

the sudden surge of interest in

hot air? Presumably Hardy had,

because a simple addition allowed

his Merlin Monarch system to grow

as effortlessly as a good rumour and

to add the latest facilities as they

become available. The company was

able to cope with the increased

capacity, and a mighty business was

born. Thanks in no small part to

SOPHISTICATION IS SOMETHING

YOU'RE BORN WITH

company as another example. Who

could have forecast the revival of

waxed paper and tin as a packaging

material? But Hardy was ready. His

Take Hardy's Cornish packaging

But who could have predicted

inexplicably using only 50.

The Merlin Monarch Compact

Ernest Hardy was in fact

only a small part in Hardy's life.

blessed with uncommon vision.

UK NEWS

Europe's growth forecast to exceed inflation

BY GEORGE GRAHAM

GROWTH in the main European this year. DRI expects introduced a conomies this year will exceed the average 4 per cent in 1986, before economies this year will exceed the average 4 per cent in 1987 and 5.3

The group expects growth in 1988

flation rate is only temporary. Countries which normally enjoy low inflation will see price falls, it

ound after the miners' strike to a

year and 3.4 per cent in 1988. Italian inflation is forecast at 6.9 per cent this year, 6.1 per cent in 1987 and

from the oil price fall will mean that export growth will slow in 1986 by less than had been expected. But

DRI believes improved competi

West German inflation is forecast at 0.3 per cent for 1986 as a whole, dipping to 0.1 per cent deflation in 1987 before returning to 1.9 per cent inflation in 1988.

Inflation is expected to fall to 3.4 per cent this year in France and to main steady at 3.3 per cent next 6.2 per cent in 1988.

DRI Europe, 30 Old Queen Street, andon SWIH 9HP.

BT plans premium film cable channel

BY RAYMOND SHODDY

BI, which has been gradually ex-

such as Thorn EMI have backed

service by avoiding the cost of hir-ing satellites, and delivering cassettes to cable operators.

Mr Gunner Rugheimer, chi of HVC, and Mr Adam Singer, managing director, will run the new annel which, like HVC, will be delivered to cable operators by secur ity van. "We spend the money on the films, not on transportation. Mr Rugheimer said yesterday.

Mr.Colin Browne, chief executive of BT's cable television operations, said the channel would be clearly differentiated from HVC and this would give cable operators the pos-

In March, BT took a one-third stake in the Childrens' Channel It the clo- also has an interest in four of the

PA Technology to set

als to the electronics industry.

The company yet to be named, will have PA Technology at the majority shareholder. An earlier venture by PA Technology, an enter-

Grew support:

The materials to be sold by the

PA TECHNOLOGY, the research development contracts for custom-

bourn concern, which expects annu-al sales of about £50m this year, in-clude IBM, Canon, Plessey, Sie-

Mr Gordon Edge, chief executive time by PA Technology, an enter-prise to tara, out semiconductor of PA Technology, said the new chips had to be put in the hands of company woud sell small amounts the receiver last year after City of of materials, with most orders amounting to a few grams. He did not specify the chemicals involved.

The formation of the new concern comes as part of Mr Edge's strategy of encouraging the creation of sub-

bright start last year when Array Logic, the first company set up under Mr Edge's scheme, went into

Monarch system that Hardy arranged

for it to be moved with the rest of the

business to the new premises.

A relatively simple operation that

earned Hardy the title "Saviour

of the Monarch" for a mercifully

DIGITAL TECHNOLOGY

reluctant end as the office door

opened. It was Wilde, his over-

cautious assistant. "Mr Hardy, sir,

there's talk of the public telephone

network going digital. Are we

insured? Are we prepared? Are

we..." Hardy silenced and calmed

him with one gesture. "Wilde,

appropriately enough, I was just

reflecting on the chameleon quality

of our Merlin phone systems, and

their ability to accommodate the

Wilde had stopped listening.

"That's the sort of vision you need,"

thought Wilde, "to face tomorrow

Merlin is British. Telecom's exclusive brand of highly compatible electronic business products and systems.

supported by BT's outstanding service and technical back-up.

coupon to Victor Brand, British Telecom Merlin, FREEPOST,

For more information, call FREEFONE MERLIN or send the

Call Management Other

with confidence."

Hardy continued talking, but

advent of public digital networks."

Hardy's reverie came to a

short period.

1960, according to DRI Europe, the economic forecasting group.

by consumer spending, and infla-tion to fall significantly below 4 per ent by the end of the year.
Inflation will ended!

o 4 per cent in the European econmies, DRI says, since most of the npact of lower oil prices on the in-

The Government, by comparison, forecasts 3 per cent growth.

A further slowing in real gross estic product (GDP) growth to 2 per cent is predicted by DRI for 1987, mainly as a result of an accel-eration in inflation from the end of

BRITISH TELECOM is to launch a (HVC), which offers a low-cost film film channel for cable

out, announced the plan yesterday at the Connes film festival. Agreement in principle has been reached with UIP, the international

distribution arm of the American film studios MGM/UA, Paramount and Universal, to supply films for The launch of the new BT chan-

nel means that there will be compe-tition again in the provision of

BT is already a substantial share entry Cable and 100 per cent owner-

up optical supplier

sum of PA, the management serers around the world. company providing optical materials to the electron ics industry.

The materials to be sold by the new company include chemicals used in products such as electrooptical switches for telecommunications and signal processing devices in the sefence industry.

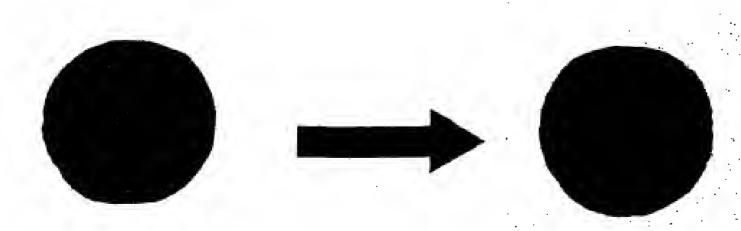
PA Technology, based in Melbourn, near Cambridge, and with
laboratories in Belgium, Australia
and the US, has built up expertise
in optical materials in assessch and

in optical materials in sessesch and receivership.

sidiary enterprises from within the Melbourn organisation. This strategy got off to a far from

Hamburg ⇔ Mie's sie die Adronse für Longresse und Mehsen

the Monarch.



How a Merlin phone system helps Mr Hardy

face tomorrow.

IN WHICH WE APPRECIATE THE CHAMELEON QUALITY OF MERLIN SYSTEMS AND THEIR ABILITY TO COPE WITH FUTURE DEVELOPMENTS.

munications and Call Management

facilities added without a hitch. The

staff were amazed, the business

thrived and Hardy had once again

ANOTHER TIME, ANOTHER PLACE

Peterborough office was yet another example. A superlative system that

had been hailed as the linchpin of the

business during the boom of '84. So

indispensable did the staff find their

MERLIN SYSTEMS FROM BRITISH TELECOM. PUT MORE SYSTEM IN YOUR BUSINESS.

The Merlin Monarch 250 in his

proved his remarkable foresight.

Merlin Monarch Compact

system served the Bodmin

faithfully, with both data

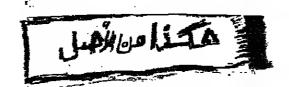
Come to IVA. And see to your own business.

> No matter how you come. Just make sure you're there! If you've a contribution to make to the subject of transport... or maybe a solution to one of our diverse traffic problems. Perhaps you want to present or sell products, ideas or innovations. If this is you, then IVA'88 is precisely your exhibition. IVA presents the whole world of transport and traffic the conveyence of people, goods or in-formation. So come along to IVA'88. And take the direct route — don't let yourself be detoured! IVA opens up new paths.

IUNE 1-12, 1982

Hamburg Messe und Congress GmbH Postfact, 30 24 80 D-2000 Hamburg 36 Please send me information on IVA'88.
My company operates in the following areas:

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UK NEWS

Research funds the key to Rolls-Royce's future

privatisation prospectus, when that document eventually lands, will be the company's research and development plans for the tough, competitive years ahead.

If the company is to keep pace with fierce rivals such as Pratt & Whitney and General Electric of the US, large sums will have to be allocated for research and development

Annual spending of more than £225m for the past five years will have to increase for Rolls-Royce to holo its position in an industry whose pace of technological development is applicable.

opment is accelerating. New products will have to be dethe 21st century. The company will also want to continue to improve its

existing civil and military engines. But perhaps the most important new venture, from which much of the company's future civil market will come, is the prop-fan - the combinetion of new types of gas tur-bines and propellers to provide en-gines yielding savings of up to 40 per cent in fuel compared with cur-rent jets, while providing speeds close to those of jet-propelled size of jet-p aircraft.

Rolls-Royce says the possibilities in that area include not only "open effects. rotors" (where the propellers are at An e the rear of the fuselage and are not covered), suitable for the smaller, 150-seater airliners, but also "ducted rotors", larger engines with shrouds round the propellers makuse on big aircraft such as 747 Jum-

The company says it is "commit-ting considerable technical resources to this work which is aimed at the possible start of full-scale production during the 1990s. It has included the construction of a new. D of new ventures, while also fi-test facility for gearboxes transmit-ting up to 15,000 horsepower, such engines. gearboxes may be required for future prop-fan engines.

But the US appears to be ahead, at least in "open rotor" type prop-fans, with General Electric and Boeing due to start flight tests this summer, and with McDonnell Douglas, Pratt & Whitney and Allison starting joint flight tests next summer.

No flight tests of a small Rolls-Royce proplan are yet scheduled, and the company may prefer to miss the first generalion of such engines, concentrating on the bigger "ducted rotors" for the mid to late

a new collaborative venture with its US rivals. Although it will not admit it, the company s believed to have had talks with Pratt & Whitney on such a possibility, but nothing firm

has emerged. Such collaboration seems inevi-table, however. The cost of develop-ing a new proprian engine, even of the smaller "open rotor" type, is unlikely to be less than £500m, and may well be considerably more,

tion prospectus.

while the higger types of propfan

It is doubtful whether Rolls-Royce, with all its heavy R & D commitments on other power-plants, could afford to go ahead alone, and at some stage it will have to seek some form of cost-sharing venture. That would also spread the potennal market for such engines.

The danger lies in leaving such veloped to carry Rolls-Royce into collaboration too late. The US companies are pushing ahead fast, aiming for a date in service of 1992, and they do not agree with Rolls-Royce that the first-generation propfans

will not arrive until 1995.

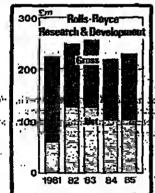
So Rolls-Royce will have to make its decision soon. The stakes are

To miss out on such a development would have far-reaching

An engine can last for up to 30 years, and often longer. That includes anything up to 10 years of cept until it enters service. Then, quantity production can last 20 ing them suitable for under-wing years or more in which development costs are recouped and profits

> Even after an engine goes out of production, the provision of spares for those in service can last for several years, generating cash. Those profits help to pay for R &

Rolls-Royce is no exception, except that if can seek government launching aid for new civil ven-



The gross outlays on R&D iaclude the amounts contributed the Government through launch-aid on civil ventures, defence votes and shared advanced engineering programmes. The net spending is the company's

Michael Donne vlooks at hudgets for military engines. Much how R&D plans will figure in Rolls Power's neither than defence the Government (through defence in Rolls-Royce's privatisa- funds, shared spending on ad vanced engineering programmes, and civil launch add), but the company still had to find £180m.

Spending on that scale is likely to continue up to and through the 1990s. Before winning government support for new ventures, the company will have to spend much of its own cash to prove that a particular concept is worth supporting.

In current civil engines, spending will continue on improving the Dart turbo prop (of which more than 7,000 have been built), because it is still in service in Viscount and Fokker F-27 airliners.

Developments to boost the thrust and improve the fuel consumption of the RB-211 family of engines are also under way and will require

much money.
In the military field, existing engines such as the Spey are being further developed for such ventures as the Italian-Brazilian AMX fighter, while the RB-199 for the Tornado is also being improved. A version of that engine is being used in the UK Experimental Aircraft Pro gramme due to fly this summer.

The company is further developing the Pegasus engine, to improve the Harrier jump jet fighter in both

the Harrier jump jet fighter in both the RAF and US Air Force. But it is on the new generation of

civil and military engines that most of the heavy future R&D spending The first of that generation is the Tay engine for short-baul 100-seat

airliners, like the Fokker F-100 and US Gulfstream IV. Rolls-Royce does not disclose bow much it has cost but it is bound to be well over £100m and has been financed entirely from the

company's resources. The Tay has already won big orders, but it will need many more to generate profits.

Also now being developed (in conjunction with Turbomeca of France), is the RTM-322, a belicopter engine that the company will soon test-fly in a US Sikorsky S-70C aircraft.

Rolls Royce hopes the US Air. Force and Army, among others, will eventually adopt the RTM-322. From the core of the RTM-322,

Rolls-Royce plans to derive a series, of other new engines. One under way is the RB-550, a small turbo prop for current and planned com-muter airliners of the 50-70-seat Rolls-Royce is behind in that

market, Pratt & Whitney (Canada) already has its PW-120 series of turboprops. One of these, the PW-124, has been selected by British Aerospace (BAe) for its new 64-seat Advanced Turbo-Prop (ATP) airlin-er because no suitable British engine was available in the time-scale BAe required. The ATP will fly this

Unfortunately improving your numover doesn't always mean increasing your profits.

As a rule, winning new orders, making deals and meeting deadlines send businessmen's pulses racing.

While profit forecasts, business plans and cash flow tend to make their hearts sink.

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simply because they don't invest enough time in looking after one of their most important assets.

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Oil price drop edges closer to Aberdeen

YOU CAN take the pulse of Britain's offshore oil industry in Aberdeen barbour, on the east coast of Scotland. About eight 2,000 to 3,000 tonne supply and anchor-handling boats lie tied up like restless, mon-

boats lie tied up like restless, mon-ster taxis waiting for a fare.

The drop in oil prices is starting to hurt in Britain's offshore oil capi-tal. Normally the harbour would throh with the brightly coloured supply boats shuttling in for a fast turnound loading drilling equipment and food for the offshore plat-

torms.

They are now on "hold" along with four or more hig semi-submersible drilling rigs with a daily rental value of \$23,000 parked a few miles offshore – another sign of drilling and development work

Like a depression moving across the weather chart, the falling oil price is edging towards thriving Aberdeen. The joh losses have yet to come. March unemployment in the area remained at 6.3 per cent-less than half the Scottish average - and no surge in early redundancy

notices has been reported.

There are an estimated 100,000 direct and indirect oil-related jobs in Britain and about 60,000 of these are in the Aberdeen area or surrounding Grampian region.

Daily North Sea oil output is now less than balf its November value, according to the Royal Bank of Scotland-Radio Scotland index. Its survey for March showed the value down hy a further £7m to stand at £25m, Mark Meredith reports.

Yet the industry sees the storm coming. As seen in a prediction from the Royal Bank of Scotland/ Radio Scotland monthly oil index yesterday some 8,000 jobs with the drilling companies are in jeopardy. Last week the Scottish National Party warned that at least 5,000 jobs were at risk because of the oil

The oil companies and their contractors are still apparently living off the cash generated when oil was more than \$20 a barrel. Many others in Aberdeen are trying to wait for an improvement in the price rather than cancel crucial projects.

Jobs cuts to date have been discrete, according to Mr James Hen-derson of Nesda, principal develop-ment officer with the industrial de-velopment arm of Grampian region.

Some US nationals on short-term contracts have been sent home. Other offshore workers live elsewhere in Britain or overseas and

There are layers of sulnerability to the Aberdeen oil economy, which over 10 years has been transferred into one of the most prosperous

towns in Britain. First to get burt are development projects for new oilfields still on the drawing board: Then drilling pro-grammes are curtailed and the drilling rigs recalled.

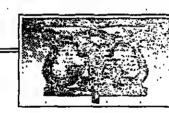
With the largest proportion of

Aberdeen's oil activity tied to sup plying the production platforms off shore, there is some protection. North Sea output for March remained at around 2.7m harrels a day but talk of actually shutting down one or more of the 30 offshore fields will increase, according to an-alysts in Aberdeen, if the price remains below the \$5-57 a barrel op-erating costs.

The offshore suppliers are al-

ready under pressure. Offshore operators looking for quick savings shop around the highly competitive market for underwater equipment and divers, driving down rates.

Other suppliers, the four helicopter companies, are under similar sure as oil companies move away from fixed monthly contracts and play one company off against



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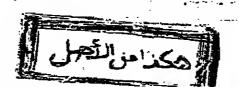


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Sales, profits and earnings all improve

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Turnover	65,803	59,165	11%					
Profit before tax	6,827	5,830	17%					
Profit after tax	5,139	3,649	41%					
Earnings per 50p share	25.08p	17.78p	41%					
Dividends paid and proposed	7.50p	5.35p	40%					

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MONTGOMERY SECURITIES

Bedford expects to boost market with Suzuki-based van

duced by Bedford, General Motors' to over 80 per cent.

commercial vehicles subsidiary, in The Midi was launched at the collaboration with a Japanese manufacturer goes on sale in the UK

The Rascal, a half-ton-payload microvan based on a model produced by Suzuki - in which GM has last year to 15,800-16,000 in 1987. zuki Super Carry and expects to ac-Until now, microvan production has been confined almost entirely to year.

Japanese producers.

Production of 10,000 units a year is envisaged at Bedford's vans plant pean standards. It was launched in Japan last summer as the Suzuki GM has invested £90m over the SK 140. past 30 months. Bedford expects to

export elsewhere in Europe. Rascal is 62 per cent, measured by open up "an i ex-factory value and including all in the UK. overheads. GM has promised the Government that the European con-be some market overlap with cartent level will be raised to over 80 derived vans and that that might per cent within three years.

THE SECOND van model to be pro- the Midi is also pledged to increase

beginning of last year. It entailed collaboration with Isuzu, in which

Both Bedford's 450 dealers and Suzuki (GB) Cars, a subsidiary of a 5 per cent equity stake - is fore-cast by Bedford to increase the UK are to distribute the microvan in Heron Corporation with 100 outlets, microvan market from 6,750 units the UK. Suzuki will sell it as the Su-

past 30 months. Bedford expects to account for virtually all the market increase. The Rascal's introduction will provide the company with "virtually 100 per cent" coverage of the UK market for vans of all types, said Mr Paul Tosch, Bedford's chief the seats. As a result, according to the seats. As a result, according to Bedford, its interior body volume of Mr Tosch said no decision had 93.6 cu ft provides up to three times been taken on whether to build the the volume of vans based on cars. vehicle in lefthand-drive form for Pick-up versions are also being

> Mr Tosch said the Rascal should open up "an intriguing new market"

It was expected that there would detract from sales of Bedford's own The investment at Luton is allow-ing Bedford to build the Rascal, its tramax built at its Ellesmere Port own-design CF2 panel van and the plant in north-west England. The Midi, a one-tonne van also based on company gave no estimate, how-a Japanese design, on the same as-sembly line. European content of might be

Y108.524 million

(\$602,911 thousand) Y8,580 million - -2.1

Y72.8 - .

(\$2.02) ·

647,161 383,205

263,956

148,778

115,178

18,372

(15,606) (10,727)

(7,381)

107,217

53,411 7,150

60,561

46,656

Translated Into U.S. Dollars

602,911 363,439

239,472

138,400

101,072

(4.894)(1,928)

7,534

69.072

60,939

-7.667

(in Dollars)

CONSOLIDATED RESULTS OF

Year ended February 20

MAKITA ELECTRIC WORKS, LTD. Year ended February 20, 1986. (From February 21, 1985 to February 20, 1986)

MAKITA ELECTRIC WORKS LTD. AND CONSOLIDATED SUBSIDIARIES

SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME FOR THE

YEARS ENDED FEBRUARY 20, 1986 AND 1985

Japanese Yen (millons) 1986 1985

65,418

43,105

24.912

18,193

2,584

1,950

18.549

12,433 (1,464)

10,969

8.580

68,977

47,512

26,780

20,732

3,397

(2,809) (1,931)

(1,499)

10,901

Y116,489 million

(3647,161 thousand)
Net Income: Y8,398 million
(346,656 thousand)

Net Income Per Share?
Per Common Share (\$0.32)
Per American Depositary Share (1 ADR is equal to 5
Common Shares) 1290.9

Net sales

Cost of sales

Gross profit Selling, general and

Operating income

Exchange losses on foreign currency transactiona

(expenses), net: interest income

administrative

Other income

Income before income taxes

Provision for

Current

Per share of common stock:

Cash dividends,

earnings of the year — Actual

Adjuated Per American Depositary Share,

common slock:

Cash dividends

earnings of the

Net income

Adjusted

Total

UK NEWS

MOTOR TRADE DIFFERS OVER REGISTRATION CHANGE Car prefix issue 'stays open'

Motor Agents' Association (MAA), used car sales.

John Griffiths writes.

A share d

"It is not a closed issue," he said after a meeting with Mr Nicholas Ridley, the Transport Secretary, when he pressed the association's case that the prefix – at present the letter C – should change in July

lip to new-car sales but cuts sales in the preceding months, as buyers wait for the new letter.

troduced from August to October claims it would reduce sales of new society's UK manufacturer memoral of the cars by up to 180,000 units next year bers - and large distribution groups and cause a collapse in the value of representing British and some improved Mr.

A sharp divide, however, is opening between the MAA and the and Traders (SMMT) on the issue. The latter has had the difficult task of reconciling conflicting views

Society of Motor Manufacturers among its members, who include vehicle and component manufactur-

ers, importers, and dealers. Last weekend, Mr Anthony Fra-

THE GOVERNMENT'S decision to The MAA represents about 13,000 tober. "The choice of July could make the problems worse for British represents about 13,000 tober. The choice of July could make the problems worse for British represents about 13,000 tober. The choice of July could make the problems worse for British represents about 13,000 tober. The choice of July could make the problems worse for British represents about 13,000 tober. The choice of July could make the problems worse for British represents about 13,000 tober. The choice of July could make the problems worse for British represents about 13,000 tober. The choice of July could make the problems worse for British represents about 13,000 tober. The choice of July could make the problems worse for British represents about 13,000 tober. The choice of July could make the problems worse for British represents about 13,000 tober. port franchises - fully supported Mr

Ridley's decision. During the past three years, the August sales peak had huilt up to ummanageable levels, Mr Fraser clear that the licensing centre at Swansea was being swamped, dealers were unable to carry out the bunched pre-delivery inspections and, for the first time, British comser, the society's director, came out ponent makers were complaining in firm support of the change to October that they couldn't cope.

Spending 'to rise' on new technology

MORE THAN three quarters of the International and the Wall Street cording to a survey by Research

The survey of chief executives in ple in their own countries. 15 European countries also shows that supervising the development and introduction of products and come more sympathetic to the the management of new technology

chief executives of the largest Euro-pean countries plan to increase views, attitudes and reading habits their spending on information tech- of 1,200 European chief executives nology – computers, word proces of companies with a turnover of sors and telecommunications – ac more than \$150m.

Almost one in three of the companies employed more than 5,000 peo-

European governments have beneeds of the business community is seen as the most important area of chief executive responsibility.

The survey, carried out by Research Services for Business Week

source of information for chief executives. Daily newspapers are quoted by more than 80 per cent, weekly magazines by nearly 40 per cent and newsletters and monthly magazines by about 20 per cent.

Thirty eight per cent of European chief executives read the Financial Times, 15 per cent the Wall Street Journal Europe and 13 per cent the International Herald Tribune.

Chief Executives in Europe 1986 from Research Services, Station House, Harrow Road, Wembley, Middlesex HA9 8DE, £50.

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A Statement ALLIED STARS

CHARIOTS OF FIRE

Articles have been regularly appearing in the media both in the USA and the UK stating that Goldcrest Films were "the maker" or "the producer" or the "joint financier" of "Chariots of Fire".

These statements are misleading. The facts are:-

1. Allied Stars and Twentieth Century Fox jointly financed the total cost of production of "Chariots of Fire"

2. The only amount provided by Goldcrest Films was the sum of £25,000 by way of "seed" money which was utilised to develop the screenplay. This sum was repaid in full, together with interest, to Goldcrest Films by Allied Stars and Twentietli Century Fox prior to the first day of principal photography together with a small fee.

ALLIED STARS, 60 PARK LANE, LONDON WIY 3TG.

4

the Middle East covered 6.6 per cent, and sales to other regions 2.6 per cent of lotal overseas sales.

Makita's net income for fiscal 1986, at Y8,398 million (U.S.346,656 ihousand), was 2.1 per cent below the figure for the previous fiscal year, due to the sharp appreciation of year.

value.

Net income per share was Y58.2 (U.S.80.32) for fiscal 1986, compared with Y72.8 (U.S.80.40) for fiscal 1985. Net Income per American Depositary Share (each representing five shares of common stock) was Y290.9 (U.S.\$1.62) for fiscal 1986, compared with Y363.8 (U.S.\$2.02) for the previous fiscal year.

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TECHNOLOGY

Castrol puts emphasis on greater fuel efficiency

BY MAURICE SAMUELSON

In tests, savings of np to 3 per cent were obtained when the oil was used in a Ford Tornado engine, while the benefit gained by its use in a Levland Roadtrain was as high as 7.9 per cent

The launch of Castrol Dynamax is coupled with that of a new multigrade gear oil, Dynadrive. These two oils represent only the third new Castrol range introduced in the last 15

Some 120m litres of motor oil are sold in the UK each year, and Castrol, claiming 11 per cent of the market, says it ranks second to Shell as the country's biggest supplier. ing and churning of the oil. with a 15W/40 viscosity formst. account customers. Associated together with a 35 per cent During the last two years, Therefore a lubricant's visburmah has spent well over cosity (flow property), has a significant supplier. Therefore a lubricant's visburmah has spent well over cosity (flow property), has a significant supplier. With a 15W/40 viscosity formst. account customers. Associated together with a 35 per cent Castrol says that maximum British Foods, Golden Wonder, reduction in the amount of oil says that maximum British Foods, Golden Wonder, reduction in the amount of oil says that maximum British Foods, Golden Wonder, reduction in the amount of oil says that maximum British Foods, Golden Wonder, reduction in the amount of oil says that maximum British Foods, Golden Wonder, reduction in the amount of oil says that maximum British Foods, Golden Wonder, reduction in the amount of oil says that maximum British Foods, Golden Wonder, reduction in the amount of oil says that maximum British Foods, Golden Wonder, reduction in the amount of oil says that maximum British Foods, Golden Wonder, reduction in the amount of oil says that maximum British Foods, Golden Wonder, reduction in the amount of oil says that maximum British Foods, Golden Wonder, reduction in the amount of oil says that maximum British Foods, Golden Wonder, reduction in the amount of the says that maximum British Foods, Golden Wonder, reduction in the amount of the says that maximum British Foods, Golden Wonder, reduction in the amount of the says that maximum British Foods, Golden Wonder, reduction in the says that maximum British Foods, Golden Wonder, reduction in the says that maximum British Foods, Golden Wonder, reduction in the says that maximum British Foods, Golden Wonder, reduction in the says that maximum British Foods, Golden Wonder, reduction in the says that maximum British Foods, Golden Wonder, reduction in the says that maximum British Foods, Golden Wonder, reduction in the s

Fuel savings can be made by running an engine on thinner oil but, as this gives less engine protection, lower fuel costs are invariably accompanied by higher maintenance charges. The challenge facing oil manu-facturers has been how to rob Peter without paying Paul.

In petrol and diesel engines, 85 a up to 20 per cent of fuel energy can be wasted by having to overcome the friction crested by various moving parts. The bulk of the energy lost in over-coming this friction is attributable to the shearing of oil films between working surfaces. Other losses result from pumping and churning of the oil.

BURMAH, the British oil products company, claims significant fuel savings can be gained by using its new engine oil, Castrol Dynamax, launched this week.

Elm developing the new oils at nificant influence on frictional energy losses and, hence, a rehourne and on laboratory, trade and field tests in collaboration energy savings. However, the scope for improving an engine's fleet operators. and field tests in collaboration with the motor industry and fleet operators.

Fuel savings can be made by because excessively low viscosity causes lubrication prob-

lems and reaults in greater wear and tear of moving parts. Burman's answer to the problem bas been to add to its mineral-derived oil what Mr Michael Wright, Castrol's sales development manager, refers to 85 a "man-made viscosity improver."

Described by the company as a high-performance friction-modified partial synthetic multigrade. Dynamax has a viscosity classification of 10W/30. Howengine protection equivalent to or exceeding that of other oils with a 15W/40 viscosity formst.



Tramivex Car Headliner Process

when the most is being asked mac Roadstone carried out field from an engine—such as shortly trials using the new oils in classification of 10W/30. How after cold starts, at high speeds vehicles ranging from cars to ever, it is claimed to offer or when heavy loads are being 40 tonne off-road dump trucks. Four of the company's major cent fall in fuel consumption,

Dilemmas caused by 8mm video

THE dramatic advances made in video recording technology
— smaller equipment and
higher quality — would heve higher quality — would never been dismissed as impossible by cent of TV homes in the United most engineers 15 years ago. It for example, are now virtually most engineers as if the video and teles and committed to VHS software, when the video shops selling vision industry can now achieve as are the video shops selling almost any challenge it sets and renting programmes. There almost any challenge it sets itself. But the ultimate goal, which eludes everyone in the industry — sometimes to their considerable cost — is the ability to forecast accurately which products will succeed and which will fail

The subject of futurology is currently concentrating the minds of the video business wonderfully, because of the bitter contest over the new generation of camera cassette recorders (CCRs), now in the shops. Although the main com-petitors would deny it, the knives are out; surprisingly with one Japanese company (Sony) hoping that 8mm video will outstrip the rival VHS sys-tem of another Japanese company (JVC).

Sony have issued misleading advertising implying that 127 manufacturers are committed to the 8mm format, whereas It is only ten—the remainder have merely agreed the technical specification should they later decide to adopt eight millimetre. Sony conveniently avoided the point that some 15 manufacturers are already mar-keting VHS CCRs using either standard size or compact cas-settes. But JVC in Japan have been no more gentlemanly with a booklet entitled "Having Doubts About 8mm?" mailed to various key people in the industry under a "confidential" heading.

The pros and cons of 8mm video have heen well-aired in this column before. It uses mnch smaller videocassettes, similar in size to audio-cassettes. In the case of Sony's version, the camera recorder itself is a superhly engineered piece of equipment with a smooth and tactile quality that makes it a pleasure to handle. The video recording time of a PAL caseette is one honr, with thinner tapes offering 90 minutes and an option to use an extended play mode (with lower quality) up to three hours. With a separate play-hack deck, it can double as a VCR and also as a hi fi stereo

grammes recorded on 8mm against over 10,000 on VHS.

the 100m VCRs in the world which, in VHS format, represent the de facto standard. 45 per cent of TV homes in the UK. is also a contention, difficult to disprove, that the faster tape speed of VHS offers potentially better picture quality.

Beyond these main issues, the debate gets bogged down in a morass of technical niceties. The 8mm format does/does not offer higher fi sound than its VHS equivalent. The thin, long play tapes of 8mm are thinner than the VHS equivalent and arguably less durable in consequence. Used as a VCR in the normal mode. Smm's two hour NTSC playback time (on thinner tape) may still be too



by John Chittock

short for the 25 per cent of feature films which a JVC survey claims exceed this run-ning time. On European PAL this playback capacity drops to

It is tempting but inconclusive to look at the figures term success, claimed for sales of the two At present rival formats. One survey of 80 Japanese stores claims that 8mm represented only 14 per cent of all CCR sales, but in the UK Sony is claiming 31.25 per cent of the market.

CCR supporters looks impressive on both sides — VHS (in both compact and full-size VHS cassette versions), includes JVC, Philips, Panasonic, Hitachi, Sharp and very recently Grunand Kodak.

It is hardly a booming mar-ket either. One of the UK's largest duplicating houses — Rank Video — has 100 Sony 8mm slave units (which Sony admits have cost Rank nothing).

75% of County

Councils use Husky Computers

admits have cost Rank nothing). In the first quarter of 1986, Rank produced only 500 copies on these machines. Since two versions of JVC's competing CCR are smaller and lighter, what is the appeal of Sony's 8mm? Initially it has been well-received by movie enthusiasts because of its slick design. But the longer recording time (compared to JVC's compact camera caasette of 30 minutes) is of no significance to serious users because the filing or editing of material is in fact

much easier with shorter cassettea. Nevertheless, the smaller cassettes of 8mm have a practical convenience and a degree of fascination. The first flush of 8mm ne nest nush of 8mm purchasers are clearly movle-making buffs for whom the incompatibility with VHS is of little consequence. Only when they want to start exchanging cassettes with friends cassettes with friends relatives may second thrughts arise. Sony is now offering an \$8mm to VHS transfer service at "little more than the cost of the blank tape" — recognising how crucial this is to longer

At present the marketing glamour of the Sony name (and in the US, of Kodak) has helped to put 8mm, on the map, despite the world-wide dominance of VHS For Sony with its earlier Beta format totally defeated by The world-wide line-up of VHS in the home VCR market CCR supporters looks impres- and Kodak previously with no — it looks like a courageous gamble to gain a foothold.

Meanwhile, 8mm video may create an absurd anomaly in the dig and Matsushita. The 10 in create an absurd anomaly in the the 8mm camp are led by the British Government's plans for powerful trio of Sony, Canon, a copyright levy on blank andio-British Government's plans for nd Kodak. cassettes, but not on videotapes.

Because Sony is pushing hard. The Sony Smm playback dock to make its own system all can be used solely as a hi fi things to all men, including a stereo recorder — offering 18 VCR deck with tuner unit, the hours of recording on one availability of pre-recorded films \$10.99 \(\text{videocassette}, \) If it on 8mm is seen as a crucial factor of the work of the ward to commit themselves the ward to the ward t On the other hand, video pro
Sammes recorded on Sum against over 10,000 on VHS.

The copyright owners get their royalty share then? No doubt some second will wish Sum against over 10,000 on VHS.

Car industry leads the way in composite panelling

TRAMICO, the French subsidiary of British Vita, has successfully developed the first method for the continnous production of car headliners, the internal plastic/fabric linings of motor car roofs.

Britisb Vita, based in Manchester, employs about 8,000 people in 20 countries making celinlar foams, synthetic fibre specialised coated monldings and related consumer products ranging from track suits to mattresses. Last year its turnover exceeded £186m.

The French subsidiary, at Brionne in Normandie, claims a "first" in amalgamating the processes used to make head-liners into a single integrated line that can turn out over 1.500 nnits a day. Lines are already in operation in the French and Spanish subsidi-aries and in Canada where plastics company Van Dresser has bonght a licence. British Vita director Mr Duncan Lawton says that Ford in the UK. Germany and the US "are keenly interested."

Mr Lawton expects 12 lines

DATED: April 14, 1986

to be in operation by the end of 1987, worth about £3m, turning out products worth

Car headliners, as well as attractively hiding steel sheet-

Previously, they have been made by laying up the various components of the "sand-

known as Tramivez, thin sbeet materisls, glass fibre rovings" (large numbers of fibres a few inches long), and foam sheet up to 8 mm thick are fed antomatically to prodnce a sandwich which is immediately pressed into the shape of a headliner and guillotined off ready for the

£100m a year.

lng, also have to provide thermal and acoustic insulation and nowadays can often add strength to the roof.

wich" in a mould, on a batch production basis which is botb labour intensive and slow. In the Tramico process,

The first roll-fed film to enter the machine is a thin base layer on to which an oscillating multi-nozzle unit uniformly distributes rovings over the surface. Meanwhile. the roll-fed foam sheet passes

through an Isocyanate Im pregnation bath and is laid on the rovings, after which another layer of fibres is

deposited, At this point, water is sprayed on the surface, starting the curing process in the impregnation within the foam. Finally, the inner and onter surface finish sheets are applied, to complete the sandich, from reels above and helow the line and the appropriate length enters the two-part monlding press. Trimming and the neces-

sary cotting of holes (for

passenger hand grips for example) are carried out offline by a robot. Extra strength in the form

of ribbing is easily added by appropriate pressed ridges and more thickly laid rovings at the right places. The beadliner can thus be self-support-ing and can be assembled into the car at the factory by a robot that passes it into place. adhesives or clip

The technique is equally applicable to other interior trim such as wheel arch

covers, door trim panels and parcel shelves-areas where Framico expects additional husiness to arise. There are possibilities for panel fabrication in other transportation and industrial areas.

The process offers low weight, rigidity, resistance to moisture and monld growth, dimensional stability and good acoustic and thermal insulation. Typically, the antonatic line-costs less than £250,000. British Vita is in Manchester, UK, on 061 643

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To the Holders of

General Mills, Inc.

U.S. \$100,000,000 12% Notes, Series A, due December 19, 1991

NOTICE IS HEREBY GIVEN to be holders of the outstanding 12% Notes, Series A, due December 19, 1991 (the "Notes") of General Mills. Inc. (the "Company") that, pursuant to the provisions of Section 7(a) of the Series A Fiscal and Paying Agency Agreement dated as of December 19, 1984 between the Company and Morgan Guaranty Trust Company of New York [the "Fiscal Agent"] and Paragraph 4(a) of the Terms and Conditions of the Notes, the Company has elected to redeem on May 15, 1986 U.S. \$7,975,000 principal amount of the Notes (the "Redemption Notes") at a redemption price equal to 101% of the principal amount thereof, together with accrued interest to said date, in the amount of U.S. \$243.33 for each U.S. \$5,000 principal amount and U.S. \$486.67 for each U.S. \$10,000 principal amount as follows:

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R JAMES CALLAGHAN, former Prime Minister and Cardiff MP for the past 41 years, was in expansive mood last month, as he laid the foundation stone for South Glamorgan's new county council headquarters in the city's dere-

"Cardiff is on the way to be-coming a healthy and prosper-ous city and could become one of the great cultural centres of Europe," he told the assembled

dignatories.
The former Prime Minister set out three targets for the city to achieve by the year 2000 completion of the new county hall, securing the Common-wealth Games in 1992, and finiing the resources to construct a Welsh National Theatre and

Opera House.
This would provide an essential cultural complement to the Welsh Capital's new and highly successful St David's National Concert Hall, he declared

He could bave added a fourth target—securing the 1992 National Garden Festival. Car-diff is one of four short-listed Welsb sites.

Mr Callaghan also left to his political colleague, Councillor the Rev Bob Morgan, Labour leader of South Glamorgan Council, the suggestion that the local authority's occupancy of its new headquarters might be proved short-lived and that, with

Troup

retun

The Welsh capital city is anticipating changes comparable with its transformation in the 19th century, which could include it becoming one of Europe's cultural centres

Targets set for moving into the 21st century

development. It is by no means confined to one political party, an important consideration in a community where the Conserva-tives currently control the City Council while Labour rules the

Credit for initiating the com-

devolution creeping back on to the political agenda, it would soon become the home of the Welsh office, around the Welsh Assembly.

But Mr Callaghan caught the mood of anticipation, even excitement, which currently surrounds the currently surrounds the city's future box.



Credit for initiating the comprehensive redevelopment of the 133-acre former Bute Docks area, of which the new county hall is an anchor project is credited to the late Mr Michael Roberts, MP for Cardiff North West and a proud ambassador of the city.

The story goes that Mr Roberts drove Mr Nicholas Edwards, Secretary of State for Wales and his Ministerial boss at the Welsh office, around the Eura Docks area, which is only

vested in revitalising the area.
Even so, it could prove to be only a start. Last autumn Mr Edwards initiated steps which could lead to even more dramatic change—the transformation

of the Welsh capital into a waterfront city.

Between the city and Penarth

lies a large area of estuarial mudiats which, given the construction of a marine barrage; could be turned into one of the largest expanses of inland water in an urban setting in the whole of Britain of Britain. To explore its potential, Mr

To explore its potential, are Edwards last autumn commissioned two consultants' reports. One, from Wallace Evans and Partners of Penarth, will spell out the feasibility of building a barrage to enclose the estuaries of the Taff and Ely rivers and create a lake.

The other report will be by

the international property con-sultants, Jones Lang Woot-ton, who have been asked to assess the possible effects the barrage could have on land values, recommend means of attracting large amounts of pri-vate investment to develop the area, and suggest ways in which

area, and suggest ways in which the city might be given a higher international profile.

Mr Edwards is said to bave in mind something comparable with the Eiffel Tower or Sydney Opera House—an architectural symbol which would be permanently linked in the public mind at home and abroad with the capital city of Wales.

Wales.

The reports are due to he completed soon. Assuming they are favourable and prove acceptable to Mr Edwards. Cardiff will be on course for a change comparable with that which occurred when the Marquis of Bute and his family first built their docks at the month of the River Taff 150 years ago.

years ago.

It was then that Cardiff's transformation from a small town into today's capital city with a population of some 280,000 got under way. The Bute docks and their railways to the Glamorgan hinterland allowed the vast reserves of coal, found in ever-increasing quantities in the South Wales yalleys, during the 19th centhe state of the s



tury, to be shipped to markets throughout the world. For most of the period be-tween 1880 and the first World tween 1830 and the first World's War Cardiff was the world's Bargest coal export port, although it was occasionally overtaken by Barry Docks, built in the 1890s to hreak the Bute family's monopoly. Cardiff's coal trade reached a peak of 13.7m tonnes in 1913.

Subsequently there was a

Subsequently, there was a growth in manufacturing industry in general and iron and steel in particular, which partly compensated for the sharp decline io coal exports in the inter-war and post-war years. But it did not last. In the decade 1971-81 manufacturing employment fell by almost 40 per cent and now provides jobs for only some 15 per cent of Cardiff's working population.

The most spectacular loss was the outright closure in 1978 of the British Steel Corporation's East Moors steelworks, creating 3,100 redundancies overnight.

More recent casualties of industrial restructuring include the outright closure of the Cardiff Land Rover plant.

Today's prosperity stems from Today's prosperity stems from the city's enormous growth as a regional centre for services and administration. It is increasingly forgotten that Cardiff only hecame a city in 1905 and was oot designated the Welsb capital until 1955. Before the matter was decided, historic Caernarfon used to feel it had



David Lloyd George's memorial (above) stands in the trees of Cathays Park, while the St David's Shopping Centre (left) has brought the greenery

ing facilities and the parks and opeo spaces, one can see that Cardiff is benefiting greatly from its capital status.
It baa amenities and facilities

usually found only in a city
three times its size.

Combined with the city's past
as an international port and
then provincial industry centre. they have produced an urban community of unusual com-plexity and interest.

There are Cardiff people who still regard Wales as the wild still regard Wales as the wild country beyond the city'a nor-thern suhurbs. There are others, notably in Cardiff's ex-tensive television and radio in-dustry, now one of the largest media centres outside London, who lead most of their cultural life through the Welsh



freely admits that he had never visited Cardiff before he arrived to be interviewed for the job.

" My notions were all wrong," he says: "I assumed it would he mainly slag beaps and industrial depression. Instead I found a thriving, buoyant city and a progressive local authority."

On the other hand, fulfilment On the other hand, fulfilment of Mr Caliaghan's targets and Mr Edward's ambition to create a waterfront city of some character should put paid to the old industrial image problem. Indeed, the prohlem could become one of auccess.



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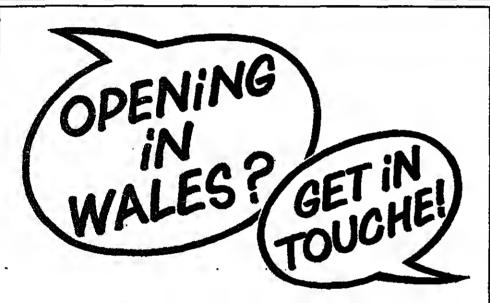
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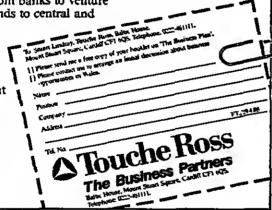
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CARDIFF 2

Fight for more male jobs to counter decline

TO THE left of the M4 motor-way as it sweeps across the Taff valley on Cardiff's north-ern outskirts lia two fine

mndern factories. One is Amersham International's architectural prize-winning radiochemical manufacturing plant, recently ex-panded to creete another 400 jobs and maintain Amersham's share of the world market for isotope products.

The other is the AB Electronic Product Group's new plant dedicated in the production of electronic devices for the new Jaguar and Rover car ranges, creating 350 jobs.

Amersbam was one of Car-diff's most important investment projects during the 1970s. The company wanted an expansion location which had the right environment and amenities to attract key staff, a good academic base of training and research back-up, and eesy access to Heathrnw airport, the export point for most of its products.

AB's expansion is more homegrown. The company arrived at its Abercynon headquarters in the Welsh valleys to as-semble radio components shortly after the second world war. During the 1980s it has surged forward as one nf Wales'a fastest growing com-panies, seizing the opportunity nf its lung experience in the electronics industry to expand dramatically, at home and

Equally impressive hes been AB menegement's success in coping with the sharp downturn in demand for bome computers, by a growing diversification into eutomotive and defence-related electronics.

electronics.

Other big projects over the pest decade include Matsushita's National Panasonic subsidiary, which is continuing to grow in both product range and employment. and Autophon (UK) (previously Comdial) which hes established e highly automated plant to manufacture telecommunication equipment creating 250 jobs. creating 250 jobs.

On a smeller scale, Cardiff has also attrected a number of biotechnology ventures, among them Biotechnica

Investment and expansion in

LAST December the JPM group.

Cardiff-based manufacturers of gaming machines, launched its

first model range into a market which, the company is con-vinced, will soon add an impor-

tant new dimension to its busi-ness—trivia games. The idea of exchanging the

fruit and barrels of the now traditional "AWP" (Amuse-ment With Prizes! machines for

general knowledge questions originated in the US.

But, as befits a concern which has grown from a small machine repair business in the early 1970s into one of Cardiff's most

successful companies and mar-ket leader of Britain's now

electronically-advanced gaming industry, it was JPM which de-

vised a system of payouts of up to £10 for players applying the right game strategy as well as coming up with the right

JPM bas decided to produce both types of machine. The prize-paying model is called Treasure Trail and the non-

assemble the new range. Output of what JPM calls its SWP

risen from abscurity to domi-nate the industry. In the past

eix years it has achieved a six-fold increase in its turnover to

its current level of some £30m. Mr Jack Jones, JPM's founder and managing director, recalls

that when he started a gaming

machine sited in the premier

AWP market place—the public house — would need to be changed nnly once in six months. Even five years ago the turnover was only three to

four mechines or gemes a year.

Now, to keep up with fashion

and maintain the customers' interest, the offering has to he changed every six to eight weeks. This means that JPM

is now designing manufacturing and distributing up to 15

Even so, market research

different models a year.

service industries and as manufacturing created some 11,000.
jobs from 1981-85, but these were offset by some 10,300 redundancies.

For all its growth as a regional commercial and administrative centre. Cardiff is anxious in attract manufactur-ing jobs. The manufacturing sector accounts for only 15 per cent of employment opportuni-

Although some well-estab-lished local industrial employers such as the JPM group have been able to expand their work-force, the general trend has been towards fewer industrial workers.

In spite of closure of BSC East Moors, the city's association with the steel industry is continuing, thanks to Allied Steel and Wire putting remaining steelmaking and rolling capacity back onto a profitable footing.

Industry

The compeny, set up by GKN and BSC, has turned losses of £24m a year to profits by setting out to match the most efficient standards in Japan and West Germeny. With very little extra investment, it is producing more steel with 500 people than it made a few years ago with 5,000.

In such circumstances Cardiff needs more male jobs. Unem-ployment is some 14.8 per cent, nr nearly 30,000 people, but male unemployment is nearly 20 per cent (21,700), compared with female unemployment of 8.7 per cent (7,600). In some areas around the docks more than 30 per cent of men are out

The Government has removed the development aree status granted to the citt in the early 1970s, although it continues to enjoy intermediate area status, entitling industry to selective financial assistance and provid-ing the city with continued-access to EEC funding.

Since 1978 South Glamorgan

But almost 40 per cent of has attracted EDC grant assist-South Glamorgan's manufacturance of some E30m towards 35 ing 10bs were hetween 1971-81. projects involving investment of about £100m.

PROFILE: JPM GROUP

Trivia pursuits hit jackpot



Relaxing outside the St David's Centre, where Peacock has opened a store

cock, the company chairman.

The company's traditional territory is South Wales, where

it has 23 stores known for their

basic clothing at bargain prices.

PEACOCK

PROFILE: PEACOCK STORES

The European Community bas heen a valuable source of support for the country's roads programme, which is trussforming communications in the south of the city and bas ben an importance infinence

on redevelopment policies.

But because of the cut in government regional assistance, inward investment and local expansion projects are being encouraged to go into the valleys or further down the M4. where they can receive larger benefits.

The Welsh Development Agency, in the light of the changes, is reviewing its site provision and marketing. It is anxious to make way for private sector funding of developments in areas which can attract investors. Parts of Cardiff have proved attractive and successful, with Cardiff Industrial Park, a Norcros development, in the north of the city, showing what

Even so, the agency has felt obliged to develop at St Melions and Cleppa Park a range of high-specification buildings for new technology industries.

Attracting inward manufactures.

turing iovestment will be an uphili hattle for the foreseeable future, even were DA status

on the M4 than the Chiswick flyover—it creates the impression that there are disadvantages, other than unemployment levels, as an industrial location. Yet Cardiff has a more attractive environment to offer modern industrial products that the contractive environment to offer modern industry than modern industry that the contractive environment to offer modern industry that the contraction is the contraction of the contraction of

The freeport scheme to encourage greater manufacturing activity in the city has been singularly unsuccessful. According to developers Pearce (Wales); there has been not shortege of inquiries from potential users. But not one manufacturer has set up shop. Pearse blames the restrictive attitude of HM Customs and Excise.

sponsible for most of the manu-

facturing as well as research and distribution. The maio exceptions are the printed cir-cuit board assemblies, which are hought in from sub-contrac-

Developing export markets for products which in most

countries are subject both to the vagaries of fashion and

open the way for the later in-troduction of its full product

restored to Cardiff; And pleas for the restoration of regional assistance may be projecting the wrong image. Combined with bad publicity over the Severn bridge—which tends to be far less of a hold-up

modern industry than most.
The freeport scheme to encou-

Peacock is strutting. Much of the company's recent growth has been in South East England. Over the past three Cardiff-based, family-owned retail clothing chain, has

years the number of retail out-lets has doubled and turnover begun a programme of expansion to increase its outlets from has risen to some £28m. 60 to 90 over the next few years. "Although we are still looking for sites in South Wales our The immediate target is an additional 10 stores this year. major growth must continue to be along the M4 corridor, the South East and South West England. We are anxious to ecquire more sites and small retail grnups," says Mr Peacock. bringing the total to nearly 70.

Two bave already opened, including a 4,000-sq-ft unit in the city's St David's Centre, the

premier shopping area. The other is an 8,000-sq-ft store at Ashford Kent, which He stresses that the company has a young management team, computer control and warehousing to serve many more shops without incurring further complements outlets opened in the past two years at Orpington and Gillingham Kent. "Having our own transport fleet, which makes weekly deliveries thronghout the capital expenditure.

Expansion has also coincided Expansion has also coincided, with the cultivation of a younger, more upmarket image and generally more aggressive marketing. sonthern balf of the UK, it makes economic sense to develop regional clusters of said Mr Robert Pea-

. The stores now sell a wide range of own-label goods and recently adopted a new peacockcoloured company logo and stores livery. The product range was also extended.

PROPERTY DEVELOPERS **FUNDING INSTITUTIONS** AND OTHERS REQUIRING LAND IN THE PRINCIPALITY FOR RESIDENTIAL, COMMERCIAL AND INDUSTRIAL DEVELOPMENT; ALSO THOSE HOLDING INTERESTS IN LAND FOR DISPOSAL FOR THESE **PURPOSES** First point of contact



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are hought in from sub-contractors who use electronic components first vetted by JPM.

Significantly, a high proportion of the electronics are designed to detect outside interference rather than control the game. Fraud, like the games themselves, is becoming increasingly sophisticated.

JPM recently became the first UK company in satisfy the rigorous vetting procedures introduced for Reno, in the US, by the Nevada State authorities. This provides JPM with a credential acceptable to the casino industry world-wide and should help to accelerate its export growth.

Developing export markets suggests that only one in 10 pub customers play AWP machines. Part of JPM's excitestrict government regulations is never easy. Even ao, last year about 13 per cent of JPM's sales was exported, some 90 per cent of them to the Netherlands and 8 per cent to Switzerland. ment over the introduction of its SWP range is that research is showing that the people who try their hend at the general payout model Criss Cross. Both are based on generally-understood principles of noughts and crosses and quiz games and are designed to be updated regularly by JPM's distributors. knowledge questions are from among the non-users of fruit machines. and 8 per cent to Switzerland. The remaining 2 per cent was split between Austria, Iceland and the Republic of Ireland. One of the advantages of the non-prize paying trivia mechines just launched by JPM is that they are not subject to gaming regulations. They therefore offer the aempany the opportunity to establish an immediate presence in new markets and to open the way for the later in

new questions being sent out to customers on floppy discs. The company has already acquired additional premises to Until 1978 JPM's machines were electro-mechanical But in that year that they went electronic and npened the way for not only more reliable machines but for the introduction of a host of new features such as (Skill With Prizes) machines is already running at 100 units the backward nudge and inde-

pendently-driven reel. SWP machines are only the latest in a series of remarkable changes which have occurred in the gaming and amusement Such has been the growth in electronic wizardry that the technology of today's gaming machine is more complex then machine manufacturing indus-try in the past 15 years.

During that time JPM has that of a television set.

JPM is proud of its 60-strong research and development team (out of e total staff of 300), who have electronic hardware and software engineering skills which are the envy of the company's rivals, Its willingness to plough hack

large sums into research and development and capitel equip-ment—this year it is spending some £1.7m in that direction— is clearly one of the secrets of JPM's success.

The industry is fiercely competitive end unforthcoming about market shares, but JPM is acknowledged to heve some-where between 55 and 70 per cent of the AWP market in Britain,

Another two significant names are Meygay and Ace Coin at Liantrisent, a few miles from

JPM's Cardiff factories are re

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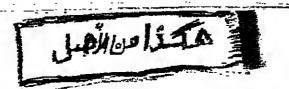
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CARDIFF 3

Planners take a strong stand

MR EURFYL DAVIES, Cardiff's planning and development officer, has worked in seven towns and cities during e long career in local government, but he does not recall a period of so much activity on a broad front as is taking place in Cardiff.

Projects vary from small expenditures on the city's growing number of conservation areas, to the proposed Taff barrage scheme. These are producing, or promising, changes in the environment which will significantly alter perceptions of Cardiff, and its commercial, industrial and residential life.

Mr Davies is a nigrous pro-

Mr Davies is a vigorous pro-ponent of the value of planning laws in making towns and cities economically self-sustaining but which also work socially.

He is deeply concerned over the growth of large out-of-town shopping precincts, arguing that if there is no limit, the viability of central erea retailing will be undermined, leading to creeping dereliction and decay.
This will breed vandalism and breakdowns in law and order, he warns.

he warns.

Cardiff City Council and South Glamorgan County Council bave tended to operate a firm planning regime. For example, e superstore development by Tesco at Gulverhouse Cross, on the city's western outskirts, which would completa an encirclement of the city with superstores, was given the Foaheed only on appeal to Mr Nicholas Edwards, the Weish Secretary.

Property

The City Council also opposed a £25m central area retail development by Guardian Assurance, on the grounds that it would hit other shopping and was backed by Mr Edwards. Informal discussions are taking place on a revised scheme,

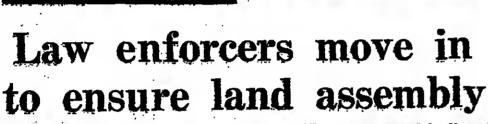
In the meantime a series of developments should all but complete the reconstruction of the city centre, which began in 1979 and has resulted in some 500,000 sanare feet of new shopping space.

Developments inclode Hoti-day Inn of Canada's form hotel, to be officially opened in July, the Welsh National Ice Rink, due to opeo in the autumn, and the pow Cardie Central and the new Cardiff Central Library, in which tenants have iready taken three of the 13

A few well-located office developments, above all the Fitz-alan Court scheme started by local building consertium Cam-paign Properties, have faund of empty office space overhang-ing the market.

Fitzalan Court has demonstra-ted that there is a market for offices tailored as regional head-quarters. It involves nine buildings totalling 109,000 square feet, and virtually all pre-let at rents above £6.50 a square foot.

Rejecting the notion that Cardiff is over-supplied with offices, agents Cooke and Arkwright note that two other developments, Longeross Court and Windsor Court are now largely let, which takes up some 200,000 sq ft of new space. New schemes totalling a further 100,000 sq ft are now being



ACROSS THE road from the Holiday Inn is the Cardiff Custom Mouse, which has been through a £70,000 transformation by the Land Authority for Weles (Law) as its new headquarters.

Mr Nicholas Edwards, the Welsh Secretary, found the authority extremely pseful for assembling land for the East Ente Book redevelopment scheme, which lies less than a quarter of a mile away from the new headquarters.

away from the new head-quarters.

It was created by the last Labour Government with the aim of ensuring a steady supply at development land for the building industry. Its popularity with small Weish builders in assembling sites and sorting out land titla problems which had held up development, enabled Law to surviva when the Conservative Government repealed the Consenuity Land Act under which is was formed. British Associated Ports owned most of the Bute deck land but there were problems, which could have delayed.

East Bute Dock

heing redeveloped extends to 133 acres, including the 42-acre expanse of valer which was ence the East Bute dock and which is to be retained as a key feature.

as a key feature.

A few old buildings which remain from the area's heyday as a port will be restored and adapted. But most of the area is being cleared for 750 houses, a 65,000 sq ft district shopping centre. a 63,000 sq ft of leisure facilities and 2 new South Glamorgan county hall. This is a pagoda-type building which will extend to nearly 250,000 sq ft.

Sites have also been earmarked for a national theatre/opera house and a primary school if the resources can be found.

Tarmac Construction is the

being managed by Norwest floist. By the time the scheme is completed. Tarmac will have spent some £40m on the deviopment partly offset by £8.5m urban development grant. This is the aid introduced by the Government to encourage private sector redevelopment of problem areas.

SOUTH CARDIFF

it has taken almost three years from conception to the point where buildozers moved in, but construction is now in, but construction is now going ahead. Tarmae plans to have its first houses on show in the autumn and the county hall is on target for completion in 27 months.

With South Glamorgan spending £36m on new roads, and miscellaneous items ad-

spending £36m on new roads, and miscelianeous items adding ny to a further £15m, the total investment in the area of redevelopment over the next few years will be about £115m.

It promises to bring back to life the area which was once the engine room of Cardin's roawh and prosperity, but

growth and prosperity, but wich has lain derelict for de-cades.



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Barrage of developments

LARGE - SCALE development is being contemplated with the proposed construction of a parrage across the mouth of the river Taff between Penarth Head and the entrance to Cardiff docks.

large fresh-water bay which paign Properties, have faund place of the acres of mudilats tenants at rents above the City's would be the focus for the previous maximum. This is in redevelopment of docklands spite of the \$600,000 square feet of empty office space overhang.

About 1,000 acres is being studied making this a bigger proposition than most proposition other international waterfront such redevelopments such as
Battimore in the US, suggested
as the model for Cardiff. It
would be far bigger than any
UK scheme apart from the
London docklands. redevelopments ...

Mr Nicholas Edwards, the Welsh Secretary, is awaiting reports of studies by two consultancy firms.

Wallace Evans and Partners of Penarth will spell out the

Lie belong to the

Waterfront City

will show the impact the barrage could have on land values around the new bay and what attract the large volumes of pri vate capital to redevelop such a large area. JLW will also comment on what might be done to give Cardiff a higher international profile.

Mr Edwards will need to give his reaction to the reports within weeks, because South Glamorgan County Council needs to decide quickly bow its new southern peripheral link road will cross the Taff.

Legislation going through parliament provides fer either a bridge or a barrage, Assuming that the Bill is not further delayed by objections from the Royal Society for the Protection of Birds (a consideration which also affects the more ambitious scheme) the county would not want to build a technical feasability of the bar-rage. International property would not want to build a consultant Jones Lang Wootton barrage if another is to be

constructed at the mouth of

Ideas floated include a development such as the Rhyl Sun centre astride the barrage, and island for a Welsh National Opera House.

On a less ambitious plane, the site for a stel port (shorttake off and landing airport) suggests itself along the fore share between the barrage and the freeport. This which would enable husinessmen to be in the City of London in little more than one hour once the London docklands' stolport opens next year.

Associated British Ports has Indiceted that its Roath Basin might be released for conver sion into a yachting marina.

In property development terms there are some major beadaches, including oiltanks and other industrial and port-related premises. A large part of the area on the west of the proposed bay bas been used as Cardiff's rubbish tip for 15

The public money required over a sustained period, to get the land and jofrastructure into reedy to carry the whole acheme forward may prove too much for a Government committed to reducing public expenditure,

The rubbish tip area has been shortlisted as one of four Welsh sites for the 1992 National Gardea Festival which would mean sid fer cleaming up the site. But the choice of Cerdiff would be difficult politically. Such a large redevelopment could damage Cardiff's centres of commerce. There is also the

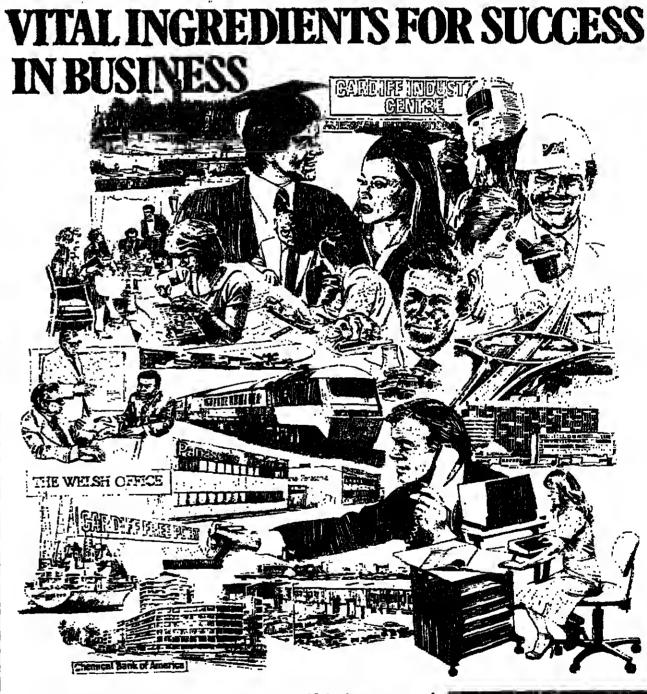
threet to the docklends com-munities, already in difficulties beceuse of the decline of jobs. Against this background there is some alarm over Mr Edwards' decision to take legislative powers to establish development corporations in Walea or to adapt an existing

The Land Authority for Wales has already been discussed as a possible vehicle for presiding over the barrage scher related redevelopments.

body.

But it is a political hot potato. There would be deep resentment within Cardiff's local authorities over a further erosion of their powers. Edwards has stressed that the legislative powers are pre-cautionary and that be values the co-operation of the local authorities.

The point is being made in Welsh Offica circles that neither city could call on either a land authority nor the multi-func Welsh Office to back up the re-development



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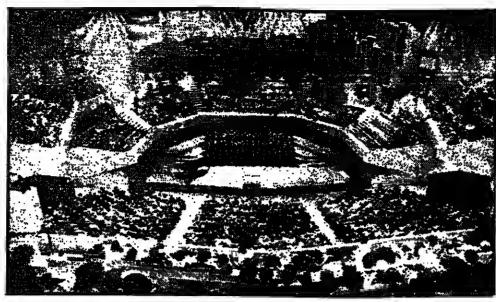
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CARDIFF 4



St David's Hall can provide 2,000 seats for conferences as well as concerts

More room at the inns

Conferences

& Tourism

national tourism circuit, thanks to its intimate connections with

their fine qualities, do not bave.
As a general rule, Cardiff
hotels have tended to enjoy
adequate business during week-

days but suffer from insufficient

CARDIFF's prestigious Angel
Hotel, famous throughout Wales
and the world (at least among
rughy enthusiasts) as the place
where international rugby teams
stay for their appearances at
the legendary Cardiff Arms
Park immediately opposite, has
just been given a £1.3m facelift
by its owners, the Norfolk
Capital Hotels Croup.
The refurhishment bas been

adequate supply of first-class hotel accommodation is essential in Cardiff's drive to build up bigb-spending conference and tourist business.

Tha new Holiday Inn, as part of a worldwide chain, is also plugging the city into tha international tourists cleaning the control of The refurbishment bas been designed to bring the hotel's hedrooms and facilities up to modern four-star standard and, in the words of Mr Peter Eyles, group managing director, "maintain the Angel as Car-diff's premier hotel." tha North American travel trade, an asset which the city's other major botels, despite

is also an acknowledgment that a powerful new competitor bas just descended upon the Welsh hotel scene in the shape of Holiday Inns of Canada. Its new £9m Cardiff Holiday Inn of 190 bedrooms will open its doors for custom in a matter

of weeks. Holiday Inn's arrival was first rumoured in the 1970s. But it took the opening of Cardiff's it took the opening of Cardiff's
St Davld's national concert hall,
a substantial urhan development grant from the Welsh
Office, and signs of an end to
the recession, before the go
abead was finally given.
The Cardiff Inn is strategically located in the beart of
the central area, balf way
between the Cardiff mainline
station and the St Davld's Hall.
Its opening will increase, to

Its opening will increase, to 900, the number of beds in the Welsh capital enjoying four-star

or three-star category. Cardiff has long enjoyed an ample supply of visitor accommodation. There are another 700 beds in smaller botels and

Weish Symphony Orchestra it has exceptionally good orchestral acoustics.

St David's Hall'a main problem in seeking to maximise its conference appeal ia a relative lack of exhibition apace compared with its rivals. However, a scheme ia afoot to put this right by converting the adjacent central library hullding, shortly to become redundant, to proceed the exhibition space and possibly as a small lecture theatre. These would occupy the building's upper two floors and be linked to the hall by a walkway. The ground floors would house the new marketing hureau and possibly an arts centre.

Execution of this scheme

Execution of this scheme

for the docklands community on the docklands community or the docklands respectively.

Cardiff and Vale Enterprise (Cave), the local enterprise agency, is one of the largest of its kind in the country. It is

Execution of this scheme cannot he started until the library is moved into a new home, 100 yards away. But the scheme is expected to be ready in time for conferences in 1990.

In international tourism terms, and even for the domestic visitor, Cardiff bas never been thought of in the same terms as London and Edinburgh. Yet, within the city, there is an unusual variety

Bureau.

The St David's Hall, opened in 1982, has provided a major boost to the city's conference business enabling it to cater for meetings with up to 2,000 delegates for the first time.

Because the location of most major gatherings is decided major gatherings is decided several years in advance it has taken time for the city's con-ference business to build up. However, according to Mrs Sally Hart, the city Council's con-ference officer, 35 major gathershopping arcades on the other.

A new attraction, just introduced, is a conducted tour of the national rugby stadium.

Another scheme under preparation is the construction of a ings and many other smaller meetings are now-in-the pipe-The build-up of conference

£3m to the city, is also being assisted by the St David's Hall's

greatest popularity with broad-casters. The home of the BBC Welsh Symphony Orchestra it has exceptionally good orche-

trade at weekends.

It was because of this increased contribution which tourism can make to the local economy that the city council decided recently to create a Cardiff Convention / Tourism

of attractions to suit most tastes. They include Cardiff Castle, the Welsh National Museum, the Weish Industrial and Maritime Museum on the one hand, and a fine array of the other cards are the other.

colleges' halls of residence are used out-of-term time. But an estimated to be worth some station.

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at applications from anywhere

located, or planning to locate,

Behind the initiative lies a

helief that one of the handicaps

Wales has suffered in seeking to modernise its economy bas

heen a lack of access to a local

venture capital market, and

that there is a prejudice in the City of London against invest-

ing in Wales and Britain's other

traditional industrial areas.

the WDA's back-up services.

"A REFRESHINC alternative prospective Welsh-hased ven-to the more traditional London tures. It will be ready to look capital network" was bow Mr in the UK. However only those tor of Charterhouse Japhet in Wales will also qualify for. Cardiff consortium."

Launched earlier this month at the initiative of the Welsh Development Agency, the consortium has brought together six leading venture fund groups into partnership with the agency to provide risk capital for industrial start-ups and ex-pansion projects of £100,000 and more.

Memhers of the consortium

are Charterhouse Japhet. Citi-corp Venture Capital, Development Capital Croup, English Trust Company, the Welsh Ven-Capital Fund and the

Mr David Waterstone, WDA managing director, says that the is to provide a one-stop shop for projects looking for venture capital. "Our longerterm aim is to encourage a growing financial services in-dustry in the Welsh capital," he

says.

Projects sent to the consortium's office at the WDA's Cardiff headquarters will he circu-lated to all the consortium members within, it is hoped, 24

Small investments generally be hacked by one member, while large ones are syndicated among the group. At the same time, the consortium will not be limiting its husiness to applications from present or

to send you advance information on all

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Venture Capital Last year, Mr Nicholas Edwards, the Welsh Secretary, launched a hitter attack on the City financial institutions for their attitude. According to a recent investigation, the WDA has carried the main burden of providine venture capital.
Among other benefits, the consortium should absolve the

WDA from the charge that it has been crowding out private sector venture capital by offering slightly more favourable terms since it deals with taxpayers' rather than borrowed

There are others involved in the venture-funding business in Cardiff who are sceptical of of Wales's economic problems.

Mr Charles Richardson, 3i's
Cardiff manager, says that there
has always heen abundance of
money for yighle projects. His

money for viable projects. His long-established Welsh office has approaching £30m invested in Welsh industry. It counts among its invest-ment successes the Laura Ash-

ley fashion group. He also points out that all the commercial hanks now have venture capital subsidiaries. Mr Hywel Jones, of accoun-tants Coopers & Lybrand, also

argues that local venture capi-tal is not really a problem. With London only two hours away hy train, be has been able to chan-nel a good deal of venture funding into Welsh-based pro-jects by frequent visits to pension fund managers in the City. He says that this has enabled him to put together balf a the past six months, the most ments. recent involving funding of

Mr Jones welcomes the creation of the Cardiff consortium. suggests that it could enable clients seeking venture capital lo negotiate a better years ago, would bave required deal since the competition for a personal visit.

attractive projects should be Cooper & Lybrand is alone among the "big eight" accountancy firms in baving established a fully-fledged management department in Cardiff, another essential ingredient if Cardiff is to bave a comprehensive pro-fessional services sector. The management consultancy is headed by Mr Jim Driscoll, former Industry director at the

Welsh Office. The other seven major UK accountancy firms have an established presence in Cardiff and have long expanded the range of services they offer be-youd auditing. A typical yond auditing. A typical initiative has come from Touche Ross. It bas just published a booklet advising small companies on how to write a business plan.
It is written by Mr Stuart

Lindsay, a partner in the firm's Cardiff office, hased on his experience during a recent period of secondment to the Welsb Office to help process com-panies' applications for assist-

The belief that the Welsh economy would henefit from a stronger local financial sector inspired the setting up the Com-mercial Bank of Wales in the early 1970s. Now with group assets in excess of £100m, the in Cardiff who are sceptical or the suggestion that the Ci'... or even the relatively underdeveloped local capital market, is to hlame for at least part of Wales's economic problems.

Si's sultancy, computer services and support for raising equity and deht finance.

Corporate legal aervices, once the virtual monopoly of London firms of solicitors, are also now coming in to their own in the Weish capital. One feature of a takeover battle between John Williams and Wyndhams, two Cardiff com-panies, was that the legal advisers on each side were

Mr Michael Jones, of Hugh James Jones and Jenkins, and Cardiff spokesman for the Law Society, says that there has been a dramatic change in 20 years. When be had started in the profession there had been only one Cardiff firm with more than five partners. Today there are at least five with more than 15 partners, allowing for the dozen management buy-outs in growth in specialist depart-

Mr Jones says that telex and the growth in other data communication services mean that Cardiff firms can quickly get written specialist advice from quarters which, only a few

Help for business ideas

ONE OF the key economic developments of the 1980s in Britain has been the growing involvement of local govern-ment and academic institutions in job creation. The days have long passed since local councils argued that their role was simply to provide services and the universities insisted that their joh was only research and

Cardiff illustrates both trends. Among initiatives, the county authorities have set up a work-shop, with creche, to train unemployed women in new information technologies. They have commissioned a study of Cardiff's expanded broadcasting and media services in the wake of the creation of the Welsh fourth television channel to look for gaps which could be filled and so create jobs.

enthusiastically supported by South Clamorgan County and Cardiff City councils, as well as the business community.

Job Creation

Mr Peter Fortune, Cardiff's industrial development officer, is working with eight executives, mainly seconded from Industry with a range of skills, to encourage new businesses and ultimately more

Since Cave was launched in 1982-83, it reckons to have played a significent role in assisting business ventures which will create about 2,550 business ventures jobs by the end of this year, of £150.

A survey by Business in the Community of 236 Cava clients —the agency averages 25 new ones a week—suggested that without assistance: 11 per cent would not have started in business; 9 per cent already in husiness would have gone to the wall; 23 per cent of start-ups and 15 per cent of existing companies regarded its role as "crucial" in helping to create or save jobs; and double that proportion considered the agency's role "useful" in that same capacity.

According to Mr David Davies, the managing executive, there has been a failure rate of less than 5 per cent among the husinesses assisted by Cave compared with a norm of more than 30 per cent.

Cave is not just interested in promoting conventional busi-nesses. One executive specialises in assisting the setting up and running of co-operatives. Another works on problems associated with innovation of new products, building of prototypes, patent law etc.

The City Council bas one roup of workshops, the group of workshops, the Douglas Innovation Centre, set aside for Innovators or small technical technical businesses. It also provides up to £4,000 grants towards innovative projects which have a reasonable chance of providing jobs.

Innovation as a source of job Innovation as a source of job creation lies at the heart of the activities of Cardiff University Industry Centre and its manager, Mr Clive Jones, has heen identifying; developing and exploiting innovative projects conceived within the university's scientific departments for seven years ments for seven years.

It bas adopted 35 projects 10 of which have reached the commercial launch stage, five launched as new companies, and two licensed to local companies as new products. Mr Jones calculates that the

successes have created or sus-tained 164 johs and that the new companies have considerable scope for further joh creation within three to five years of the start of the company.
This may seem modest, but

the launch rate of 28 per cent compares with an accepted average for UK industrial research and development of less than 5 per cent of development projects going commercial that tha averaga period between idea and product is eight years, and that profits on those that survive are usually earned three to five years later.

Mr Jones says that the centre bas suffered two big problems. One is the time taken to raise venture capital - which be bopes will be eased by this month's launch of the Cardiff Consortium. The other, less easily solved, is obtaining management for new companies who are experienced in launching innovative ventures.



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Print. Brown preferred last year to break up an old press for spares rather than sell it to a rival when replacing it with a reproper

ended last month.

heard

Life beyond a buy-out

William Dawkins re-visits a Cornish printer



CIM Brown, managing director (left) and Ken Wells, production director: trying to broaden the customer base

with a new one.

Yet the group's profits record has been dull. Sales bave done well enough, up from £3.4m in the year to March 1984 to o record £5.5m in the year just ended. But taxeble profits slipped badly from £300,000 in 1983 to £175.000 two years later, though they crept back towards £350,000 in the year ended last month. loyalty in our business," says Brown. "The only way we could build up our commercial sales was to cut margins and then try to build them up again as we gained a reputation." That erratic performance has more to do with the sacrifices Brown has made to broaden Roffs Print's customer base in

·It has taken a long time for that strategy to have much effect. Only a tenth of Roffs Print's customer base in an overcrowded market than with the cost of servicing capital. Finance charges are certainly heavy—interest, fixed dividends and capital repayments cama to £173,000 last ments cama from business picked up to finance—20 per cent of the company's stocks.

Cash flow bas also wellowed him to persuade suppliers to hold—and indirectly company's stocks.

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Cash flow bas also wellowed him to persuade suppliers to hold—and

Stationery Office, placing it in a vulnerable position in an industry that is only growing at 1 per cent a year, estimates Brown. Now tha HMSO, which takes forms like TV licence reminders, tax returns and social services documents from Roffs Print, accounts for 43 per cent of sales as a result of the group's afforts to broaden its group's afforts to broaden its customer hase.

"There is very little customer loyalty in our business," says

That Roffs Print bas survived the triple strain of baving to moderate rivels plant in part due to the old-fashioned good house-keeping practiced by Brown and his newly eppointed finance director, Mike Murphy, whn joined the company five years ago after being made redundant by the closure of a Fisher Control plant in Penzance.

Murphy's most significant

trols plant in Penzance.

Murphy's most significant achievement has been to extend the credit that Roffs Print gets from suppliers from 40 days to 62, which has a big impact on a business that spends more than half of annual turnover ou raw materials. Murphy admits that he bas been helped by overcapacily in the poper making industry. This has also allowed him to persuade suppliers to hold—and indirectly

from the bureaucracies of its big customers unless somebody is oo hand to chase them. But Brown is keenly aware that releasing the cash to buy more modern equipment is futile if plant is used inefficiently. That is why last year be offered his 77 staff almost unlimited overtime in exchange for an agreement to provide full holiday cover. Previously, one of the group's four presses was out of action for the equiof three months

annually.

All this fine tuning has brought Roffs Print to something of a watersbed. Brown expects turnover to rise by 12 per cent this year on the strength of diversifications into forms for laser printers and for promotional uses, but after that he admits that organic growth will be much harder to achieve. "The question of what to do next is exercising our minds more and more," he says. "We can't go on doing more of the same indefinitely."

There is certainly scope for Roffs Print to be taken over, Barclays Development Capital, which owns 40 per cent of the equity, will want to realise its profits some time. And the past year alone has seen four takeovers or mergers among larger specialist printers. In most cases, the purpose has been to achieve economies of scale for the bidder, though

in nne recent instance. In the recent instance.

That is why, says Brown, Roffs Print is unlikely ever to be a willing takeover target—indeed it has already politely turned away several suitors. He is convinced that the small comis convinced that the small com-pany's geographical remoteness means that a large owner seek-ing in shed capacity might easily close Roffs Print first without taking its real perform-once into account—a fear which

once into account—a fear which Murpby certainly shares.
One answer, Brown believes, is to follow the atronger members of the industry by joining the nequisition trail ond attempting to impose the house keeping virtues learned at Roffs Print on to less well-run businesses.

Roffs Print took a first step in that direction last week when it paid a nominal sum for Datachase, a small printer of com-puter stationery with annual sales of £300,000 in nearby Launceston. Datachase, which recently went into receivership, takes Roffs Print into the small lest end of the market, with print runs of up to 10,000. Unlike the Falmouth company, it sells to dealers rather than direct, a pattern being followed by almost all the present avalanche of new entrants to receive the present in the present avalanches of new entrants to the present it. specialist printing because it gives easier access to smaller

Risk capital 'normality' fears

THE US venture capital industry has emerged from the worst shakeout that even its most experienced prartitioners can remember, but the reprieve is likely to be short-lived.

Just over 600 of the US risk investment industry's top players met in Washington last week for the annual conference of the National Venture Capital Association. Delegates' unan-mous relief that the sharp declines in valoations of high technology stocks which began nearly two years ago was over was tempered with fears that the present "normality" would not last long.

The consensus was that the abake-out bas left many fund managers with a preference for making larger and fewer investments than before and a less tolerant attitude towards un-profitable ventures: a shift which is already becoming apparent among British venture capitalists.
In contrast to most of last

year, the new issues market was now buoyant, big institutional investors were showing alrong investors were showing atrong interest in becking unquoted ventures and good propositions groops had changed investment vere surfacing relatively plentifully, "like fish rising to the small high technology start-ups bait," said Frank Caufield, a senior partner in Kleiner Perburned their fingers in recent

William Dawkins, in Washington, reports on changing attitudes of venture capitalists following a recent industry shake-out

that if the industry'a past volatility was anything to go by, this period of normality will be brief . . . my guess is that it will be over sooner rather than

One reason put forward for the recent problems of US venture capital was an indisventure capital was an indis-criminate rush into risk invest-ment by a large number of oew fund managers with little experience of running small businesses. "They did not do so well as they boped, but they were not decimated either," maiotained Caufield, who argued that the survivors from the in-flux had nevertheless helped to flux had nevertheless helped to transform vecture capital from a "cottage industry" ioto a major business.

this Caufield & Byers, one of years towards later stage finanthe largest venture capital groups in the US.

However, Caufield warned and tougher now," said Don

Ackerman of J. H. Whitney and

David Hathaway of Venrock Associates, which manages the Rockefeller family's private fortune, pointed out that while there was no shortage of risk capital for top quality enter-prises with experienced manage-ment, "many secondary companies have liquidity prob-lems which still have not been solved."

Delegates agreed that in the

past too many funds had backed too many similar and competing businesses in areas like semi-conductor manufacturing, microprocessors and more recently aoftware. This meant that several companies had failed simply because venture capi-talists had been lorced by their own lack of resources to with-draw support, admitted Acker-man. "We have been through an unfortunate period of choos-ing which habies should survive

attempt to revive an ailing busi ness by changing the cotire maoagement team and relaunch

ing its products.

If the industry bad beer dogged by too many closely competing investments, tha situation was likely to continue for some time, argued Hatba way. He maintained that after the spectrument of the section of the sect the spectacular advances is computer technology of the pas ave years it would be unreal istic to expect breakthroughs o a similar scale in the foresee able future.

"We are entering a period where we will be fared with a decline in technological unique ness. Already it is hard to fin companies with proprietar technology—and if they have it it can easily be out of dat within months or even week: There is still an absence o distinctiveness between many o formed. That means there i very little margin for error, said Hathaway.

He was also anxious that the growing presence of hig institutional tovestors in risk capita might put pressure on fun managers to be judged on th same criteria as their counter parts handling conventions quoted equity funds. Hatbawa emphasised that venture fun because we did not have the comphasised that venture fun time to feed them all," he said. managers should not be judge Others had only barely survived, giving rise to a new type of deal, the so-called "restart," said, "not buyers and sellers a whereby venture capitalists securities."

In brief . . .

EIGHT leading funding or development agencies based in the north west of Eugland or strongly represented there have agreed to combine resources where appro-priate to syndicate development or venture capital fin-ance. Large-scale syndication is relatively new in the region—until now various bodies and funds have ten-ded to back businesses on their own or in twos or threes.

The new arrangement, which will be centred on Manchester and will nperate informally, will enable large amounts of development capital to be provided from within the region, reducing dependence of this end of the spectrum on London markets and funds. Locally-financed "multi-million

ponnd" transactions are expected.

pected.
The eight bodles are County Bank. 3i, Greater Manchester Economic Development Council, Greater Manchester Council Superannuation Fund, London and Scottlsb Finance, Mynshol Trust, North West Regional Fund and Lancashire Energiese.

According to County Bank's Stephen Moore: "We are interested in leveraged management buy-onts, commanagement buy-onts, com-panies requiring expansion capital and —though excep-tional—stort-up capital. In all cases, however, we would expect a strong management team with entrepreneorial flair to be in place."

NOMINATIONS are now open for the Scottish Business Achievement Award, run by the Scottish Development

HANDWRITING ANALYSIS

Agency and the Scotsman. Candidates mut be under 40 and bave demnistrated out-The award will be presented by Maleolm Rifkind, the Scottish Secretary, at a charity lunch on July 4.

URBED, a London-based nonprofit training company aimed at belping people start and develop Ibeir own husinesses, is bolding an open day on May 14 of the Trocadero, Rupert Street, London, to explain bow its "cascade" approach works.

The central theme is that it takes most people 5-10 yeors to develop o business idea fully, and that it involves various phases, so training must be given for each. It even seems oppropriete, therefore, that Urhed's opprooch should in itself have

taken eight years to become refined. Most of Urbed's courses are aponsored by the MSC and cover such phases a assessing prospects, improving them, working for your self, getting going, and man oging smoll business, may in volve short, residentia courses. One alm is to deve lop personal vision as well a husiness skills so as to help people appreciate markets and sources finance.

THE Council for Small Industries in Rural Areas ba joined with the Antomobili Association to produce guide listing eraft workshop to the English countryside The guide costs £3.95, fron AA centres, most bookshop and the council's head officot 141 Castle Street, Sal-bury, Wiltshire SPI 3TP,

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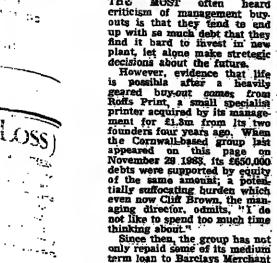
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SOCIETE GENERALE DE BELGIQUE GENERALE MAATSCHAPPIJ VAN BELGIË

Public Limited Company

AGENDA

Report by the Board of Oirectors and Auditors' reports for 1965;
Approval at the company's annual accounts!
Approval at the company's annual accounts!
Directors and Soard of Auditors:
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2) Approval of the company's annoal accounts;

3) Discharge to members of the Board on Directors and Board of Auditors;

4) Creation of the Advisory Board — nomination of members and 6 cing of their fees;

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A FINANCIAL TIMES

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Galleries/William Packer

Miracle of talent that flies from a parlous nest

Our art schools remain problem and an enigma, blessed with conventional pieties of support and encouragement, yet reduced to an ever more par-lous state in staff and funding. The educational processes, which they have stood by and which they have stood by and justified over many detades—
for it is a myth they are the creatures of the 1980s—are at best a mystery, at worst the object of cynical contempt to administrators, educationalists and politicians at large.

Certainly there are few votes in be had, locally or nationally, in their interest, and if economies are to be made there are of a fine art course here or the trimming of a design course there. Yet the record speaks for itself, with our sculptors and painters winning inter-national recognition in each suc-cessive generation and our designers whisked abread, from beneath the noses of our own myopic and indifferent industrialists, to fuel the competition.

The irony is that these very The irony is that these very schools by which we set so little store are unmatched ahroad in number and variety, and envied above all for the quality they sustain across the full range of disciplines. None have stood higher in their different characters than the four long-established London schools offering. See are are stored their longestablished London schools infering fine art among their many courses: Saint Martin's, Camberwell. Chelsea and The Central. each jealous of its equal standing for the particular opportunities and emphases its affects its crudents. it affords its students.

When we beard a year or two ago, therefore, that after fostering such healthy independence for so long the Inner London Education Authority not only now proposed, but was arbitrarily decided upon, a general amalgamation of the four, together with the London and Distributive Trades, we could only fear that such rationalisation meant in truth a reduction overall, and with it



Portrait of Betty, by Rachel Levitas of Camberwell College of Art, in the London Institute exhibition

Frances Morrell, glosses the creation of the Institute as "an and the time-based work in act of faith . . . in the importance of airt and design to Britain's future," It is determined immediately both to declare and justify itself in its intentions at least, if not in its achievements.

The Government too has fellowed be at the expense of something else, and what better candidate could there be than Art?

Whatever the pieties expressed, the funding constraints have forced upon tha National Advisory Body for Higher Education, under whose care

of something else, and what the Institute into being, now better candidate could there be that it is here we can only

pressed, the funding constraints have forced upon the National Advisory Body for Higher Education, under whose care rationalisation meant in truth a reduction overall, and with it an actual loss of quality and identity.

We shall see, As it is, the new body, The London Institute, has been with us since the New Year, sprung up fully formed as the largest school of art and design in Western Europe. With the activa support of the ILEA which, in the words of its leader, Mrs.

Already a course of exhibitions has been embarked upon designed specifically to allay to the revolutionary idea that there may be something in possil is that Design courses should be protected, which ments rather than those more fundamental to our culture dispersion of some 20 per cent required. The like it is the art schools fall, the logic to the revolutionary idea that the revolutionary idea

appland the commitment within it by the ILEA to the obvious and necessary equivalence and interdependency of all the disciplines.

"We regard all the branches of the arts as having equal value," says Mrs Morrell in her introduction to the catalogue, "We think it desirable that students working in each discipline draw strength from proglamping invaluement. overlapping involvement in other contres. . ." It is simply astonishing that in a mature and civilised society such mild, astonishing that in a mature and civilised society such mild, obvious, unimpeachable sentiments should ever need to be may come of it all yet.

expressed, let alone expressed with some urgency in circum-

stances of actual crisis. The London schools, with their flourishing departments of Fine Art, may be safe for now, their particular characters not so much at risk as bad been feared, the mood within them on the part of the artists and teachers who run them, after the eerly misgivings, one of qualified optimism and datermination to make them work under the new dispensa

another matter, the mond one of resignation if not of actual despair, for it is hard to see bow many of even the major schools born of Victorian civic pride and duty and given new pride and the pride and given new pride in those optimistic early 1960s, can survive many more years of mendacious policies and cynical under-funding. This is no party matter, for we have been brought to this present pass by slow attrition, government turn and turn about, over nearly 20 years.

The miracle is that talent still comes forward to be en-couraged and celebrated. Who is to say how far or high these young artists will fly, who for the moment represent their schools and departments rather before themselves? Their vigour and engagement are manifest, as is their commitment to work carried through for its own sake on its own terms, from which all truly creative freedom springs. It is this disinterested example quita as much as any particular invention, which contributes so much to any school that is truly a school of Art and Design. Without Art, indeed, there can be no true Design.

The show was unhung when I walked round it at the weekend and it would be invidious to pick out individuals when so much had still to be arranged. I would say, however, that in insisting upon a proper strucinsisting upon a proper struc-ture of substantial screens to show off the work, the Instituta has forced upon the Festival Hall at last a proper responsi-bility by which any future ex-hibitor must benefit. The policy of holding exhibitions busy a concourse is admirable

New York Dance/David Vaughan

Muscle-bound steps

collaboration of Rohert lifted and turned en dedans, Rauschenberg. In one dance, that constitute the idiom familiar from dances Taylor has partner sat, motionless, for three minutes. A solo, Epic, was performed to a recording and Brahms. But what the idiom really looks like is a kind of bomogenized Graham "revlewed" the concert with a hlank space initialled by the editor, Louis Horst.

Not all Taylor's early dances of collaboration Rohert

Not all Taylor's early dances were as provocative; from the first, he had exhibited a markedly individual, even idic-syncratic, movement idiom derived from bis own monu-mental musculeture, alleviated by an acute rhythmic sense and playful wit.

Almost 30 years later, Taylor is a leading figure in the modern dance. (Last year, he and Merce Cunningbam were and Merce Cunningbam were the first choreographers to receive the prestigious Mac-Arthur Foundation Award, often called the "genius award.") Even while ha was pursuing his early experiments he had danced in the Martha Graham company, but he left in 1962 to devota himself to his own choreographic career.

He began to make pieces whose choreographic structure and relation to musical accompaniment were along more tra-ditional lines, perhaps feeling that he had already exhausted for himself the possibilities of the minimalist or pedestrian movement that a new genera-tion of choreographers was ex-

Junction, originally made in 1961 and revived in Taylor's recent season at the City Center Theater, though It has apparently undergone various medifications in the intervening years, still shows signs of having been a transitional work, made on dancers who belied

In New York in 1957, Paul pulled up together, the arms Taylor gave one of his first held in a semi-circle or slicing dance concerts, with the artistic arcs through the air, the hips lifted and turned en dedans,

dies of Baroque music by Peter Schickele ("P.D.Q.Bach") and is similarly facetious. It is on the same level as an under-graduate musical show; one of Its jokes is that the men in the company look like klutzes. And indeed, looking at the other new work of the season, A new work of the season, A Musical Offering, I thought that Taylor is the only choreographer who has raised being muscle-bound into e style. The piece was described by Ms Kisselgoff as "a Polynesian ritual", inspired, she said, by "statues from New Guinee." Such imagery seems rather remote from Bach's music, and she perhaps has privileged information. Lacking it, one might assume that the dancers were made to move like stiff-legged automate, their arms legged automate, their arms held in the way traditionally associated in ballet with dolls.

The piece shows the tremen-

dous assurance Taylor has always possessed in dealing with a complex musical score, but even bere, where he bas been at pains to ereate a choreographic structure to match that of the music, his real concern seems to be with illustration rather than with form. This is rather than with form. This is true elso of two works that have been revived and reworked this season: Nightshade (1979), a Goreyesque Gothick Grand-Guignol, and . . Byzantinm (1984), the dance equivalent of what used to be called a prohlem picture.

It is only fair to state that

ing been a transitional work, made on dancers who helped form his movement style. The choreography often runs counter to the music of the Bach suites for solo cello that accompany it.

Particularly since he stopped dancing bimself some years ago, there has been a diminntion of Taylor's choreographic vocabulary. In one of the season's new dances, Ab Ovo Usque Ad Mala (loosely translated in a subtitle as "from soup to nuts"), Taylor treads the always dangerous path of self-barody. Anna Kisselgoff, in the New York Times, suggested

barody. Anna Kisselgoff, in the New York Times, suggested that he had made use of traditional concept of dance as "bundreds of his favourile steps" in a comic context. Frankly, I hadn't thought there were that many. There are the were that many. There are the little sideways cahrioles and chain-steps and skips, the jumps with feet Taylor, It seems to me, has reverted in bis own way to the traditional concept of course a legitimate one, and puts him in honourable company, among such choreo-graphers as Fokin, Tudor, cahrioles and chain-steps and skips, the jumps with feet

Tocco & Eschenbach/Festival Hall

and the second s

David Murray

learned nothing new about him or Chopin: be was expert, tasteful and in command of the requisite digital sparkle, but seemed disinclined to add personality to the music. He turned many effects prettily, while allowing himself only a mini-mum of rubato. Occasionally there was more steel in his tone than one wanted, but his scrupulous planissimo was very

Occasionally he was jostled by the orchestra, which was be-ing conducted by another pianist — Chrisloph Eschenbach. Had he been playing him-self, it was bard to helieve that he would have liked so bumpy an accompaniment to the twinkling piano tune in mid-Finale. The horn and bassoon

FL. C. C. U.

T. Del.

performance, thet one, deliberate and rather under

bright at the start, but it built

a considerable head of steam.

Tchalkovsky's Fifth Symphony had as many self-conscious touches, and some peculiar balance. Tchalkovsky's favourite horn-chord accompani-ments were kept lendly insistent, to the point of inducing headache, and inner voices of minor interest were often thrust into the foreground.

Slow tempi were rigidly held; approaching climaxes in faster music were signalled by sudden hard pushes, and stridently capped. There are many passages in the Fifth that can sound grimly bombastic, and they all did. It was a performance of some intensity, but

Andrew Clements

nis wignore Hall rectal last.
November. David Murray
described Loriis on that
occasion as "a model of good
sense and strong technique" and

Beethoven, Ravel and Chopin; this time he chose a demanding selection of Listz and Brahms, and proved himself at present more closely attuned in the former. As a balanced pro-gramme it was not ideal: the sequence of Listz studies—the Three Concert Studies and the last four of the Transcendental Studies—placed great demands on the planist's powers of characterisation.

Louis Lortie/Elizabeth Hall

The American planist James obbligati were very forward Tocco made a superb recording (though skilful). The opening of Copland pieces not long ago, and I hurried to hear him play sonorous as the high points of Chopin's E minor Concerto on Sunday with the London Phil-ture, bad been—a measured performance, thet one, performance, thet one, performance, thet one, performance, and the sunday with the event one performance, thet one, performance, and release the should occasion produced soma arrest-have been given first prize in ingly heautiful effects: the swirling scales of the F minor Concert Study were delicately his Wigmore Hall recital last November. David Murray described Lortia on that bowever, even his powers of persussiveness and elegant That Louis Lortie should occasion produced some arresthis recital at the Elizabeth Hall on Sunday afternoon left much the same impression. · In November Lartie played

the opening movement, the per-

In general he managed well, his technique unobtrusively impeccable (insofar as that is through the motions without possible in such pieces) and on any sense of conclusiveness.

bowever, even his powers of persuasiveness and elegant address were beginning to wane, and "Chasee neige" was disappointingly prosaic, the left-hand figures hunted, the defini-tion coarse. And while Brahms' F minor Sonata contained many anviable things, not least the clean lines of the scherzo and Rabbath's return visit to the

formance as a whole was not convincing. The grip Lortie had der trated in sustaining such Liszt pieces as the A flat Study and "Ricordanza" did not carry through into the sonata. Nothing was out of place or half-hearted but the finale in particular seemed simply to go through the motions without

Francois Rabbath/Wigmore Hall

Richard Fairman

accorded the double bass solo a sitar in all but name for status. In their respective fields Poucha Dass, bunting horns, a a Galway or a Lloyd Webber can dig over musical history to in Breiz, a solo of quite keep their repertoire alive, but astonishing virtuosity. for a bass-player the spade is unlikely to bring up much that all. Several of his compositions is worthwhile. The best option were in a simpler vein, making is to write the music yourselfjust what François Rabbath, ing that his sincerity in music French soloist extraordinaire, does to perfection.

Wigmore Hall on Sunday seems to bave been a typically eccentric success. In one of his programmes you can never be sure exactly what is coming next. One reason for this is that he happily mixes up the items, forgets to tell the audience what he is playing and is even content to tune up in the middle Rahbath makes the double hass

Few composers of note bave not one instrument, but many: o, or even electron

Yet the showmanship is not a varied programme and ensur also bas a place. In the most extended work, his Concerto No 3, a lovely piece of tearful Gallic sentimentality, the tunes sang out with all the eloquence of the best baritone.

It is impossible not to warm to Rabhath, either as a man or as a virtuoso. His quirky spoken introductions, his dis-armingly casual manner, his love for whales and pink lakes in African deserts (how did of a piece and then carry on.

The other is the sheer versatility of the man. In his music make him an unbeatable performance of the carry of the man.

April 27-May 1

Saleroom/Antony Thorncroft Hatcher hits jackpot

The Hatcher sale of Chinese ing of two blue and while porcelain—the 150,000 items "fish" dishes, made £20,378, that "Captain" Hatcher hauled against an estimate of around np from the bed of the South China Sea-got off to a specta-cular start at Christie's in Amsterdam yesterday. morning session 2,586,997 Dutch totailed (£699,188), around five times the forecast, suggesting that the total from the week of sales will far exceed the cantious £4m estimated by Christie's.

The top prices were among the "fish" pattern blue and white dishes. Bernbeimer, a London dealer, paid £31,351 for a pair of dishes of 1751, as against an estimate of around £3,000. A single dish sold for £28,216, as against a forecast of less than £2,000: it was bought by Mr Ong, a member of Captain Hatcher's crew.

Two other lots, each consist-

against an estimate of around £3,000 each. More than a thousand people registered to hid at the auction and more than 20,000 viewed the exhibits. Obviously the major promo Obviously the major promo-tional campaign by Christle's has paid off bandsomely, and "Captain" Hatcher and his crew will be rich men by Friday night. The intriguing question now is what impact this mammoth sale will have on the market for 18th century Chinese export porcelain. A most hizarre thing has hap pened—the quantity available for trading has perhaps doubled ovarnight and yet, because of the publicity, prices heve spiralled upwards. Will only "Hatcher" items command a premium, or will the entire market benefit?

Clydesdale Bank PLC

HOUSE MORTGAGE RATE

Clydesdale Bank PLC announces that with effect from Monday 2nd June 1986 its House Mortgage Rate is being reduced to 11% per annum

Arts Guide

Opera and Ballet

WEST GERMANY

Berlia, Deutsche Oper: Zar und Zin-mermann is a well done repertoire performance. Madame Butterfly has Raina Kabaivanaka brilliant as

alogne, Opera: There was much praise for Carmen when it opened. The cast includes Kathleen Kuhl-

mann and Josef Protschka. Parsifal

is worth seeing Siegfried Jerusalem brilliant in title role.

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wadnes-day. Exhibitions/Thursday. A selective guide to all the Arts ap-

Also in the repertoiry: Viva la Mam-ma and Falstaff.

standard, Jenufa, conducted by An-tal Dorati, will have its premiere this week. In the main parts are Eva Randova and Raymond Wolanski.

Boyal Opera, Covent Garden: A week of popular revivals: Neil Schicoff, Samuel Ramey and Nelly Miricioiu lead e strong cast for Les Contes d'Hoffmann, conducted by Charles Dutoit; Il barbiere di Siviglie ends its fourth revival of the season with

has Baina Kabaivanaka brilliant as Cho Cho-San. Der fliegende Holländer has Kaja Borris and Vie-tor von Halem in the main parts. Al-so Die Instigen Weiber von Windsor and Die Zauberlöte. Hanhung. Staatsoper: This week's highlight is Un ballo in Maschera, sung in Italian, starring Rosalind Plowright, Franco Bonisolli and Bernd Weikl. Lucia Allberti is e splendid Violetta in La Traviata. Manon Lescout is respectable with its fourth revival of the season with Gino Quilico as its bright spot. Tosca returns with Giuseppe Giacomini and Natalia Troitskaya; Michael Schonwandt conducts. (240 1086). English National Opera, Coliseum: The British stage premiere of Busoni's Doctor Faust dominates the repertory; Thomas Allen sings the title role, Graham Clark is Mephistopheles. The Ill-starred Merry Widow and the imaginative but Indifferently sing Bartared Bride fill in the gaps. (836 3161). Manon Lescout is respectable with Rosalind Plowright and Franco Bon-isolli. La Bohème rounds off the rankfurt, Opera: Fidelin brings Lia Frey-Rabine, Hermann Winkler and Gerd Feldhoff together. Orpheus in der Unterwelt has Christoph Pre-gardien in the title role. The week also features the premiers of Ruth Respiratory production of Dia

gaps. (836 3161).

Royal Opera House, Covent Garden:
The Royal Ballet in Romeo and Juliet (Thur).

Sadler's Wells, Rosebery Avenue asso features the premiers of Run Berghams' production of Die Walkine conducted by Michael Giel-en, with Catarina Ligendra as Brünhilde, Helena Doese as Sieg-linds and Walter Raffeiner as Sieg-(279 8915): American choreographer Rosalind Newman and her dancers

I.a. Cenerentala. Donato Renzetti con-ducts the Londoo Sinfonietta opera orchestra. TMP-Châtelet heater; Philip Glass's opera Echnat-on, composed specially for the Stuti-gart opera, is an Achim Freyer pro-duction. Counter-tenor Paul Eas-wood is outstanding in a cast of high

Jalome, co-produced with the Zurich Opera, conducted by Kent Nagano with Edda Moser in the title role, al-ternates with Maurice Bejart's Sotree at the Paris Opera (4258 5022).

La Fille du Regiment is conducted in a new production by Bruno Campa-nello/John Burdekin with Marie sung by June Anderson/Alida Fer-rarini and the role of Tonio by Alfre-do Krans Winscown La Santa do Kraus/Vincenzo La Scola. Opera Comique (4298 0811).

film: Teatro alla Scala: Franco Zef-firelli's production of Swan Lake, with choreography by Rosella High-tower. Michel Sasson conducts and the cast includes Carla Franci (alter-nating with Anna Razzi), Domiating with Anna Razzi), Domi-que Khalfouni and Jean Charles

Gd. (8 el 26). enice: Teatro la Fenice: Mozart's La Clemenza di Tito directed by Pier Luigi Pizzi, who also designed the Luigi Pizzi, who also designed the scenery and costumes. The cast includes Margarita Zimmermann, Curtis Rayam, Adelina Scarabelli and Susanna Anselmi (71 01 61). Naples: Teatro San Carlo: Don Quichotte by Jules Massenet (sung in French), with Ruggiero Raimondi, Martha Senn, Michel Trempont and Aldo Bramante, conducted by Yan Passel Tortelier. (41 82 66) [Tieste: Teatro Comunals Giuseppe

Trieste: Teatro Comunale Giuseppe Verdi: Two one-act ballets, conduct ed by Luciano Rosada, (63 19 48). ed by Luciano Russia. (63 is 46).

Tarin: Teatro Regio: Turandot, conducted by Zoltan Peskoand, directed by Grischa Asagaroff, with scenery by Josef Svoboda. In the cast are Eva Marton, Yoko Watanabe Grimaldi, Nicola Martinucci and Alfredo Zanarro (548 000). do Zanazzo. (548 000).

lorence: Testro Comunale: The 49th Maggio Musicale Fiorentino opens maggio nauscam riorentino opera with Luciano Berlo's third Azione Musicale conducted by the compos-er, in Luis Pasqual's production (giv-en at the Paris Opera last year).

The Nederlands Dans Theater with Jerome Robbins' Afternoon of e fann (Debussy), and Jiri Kylian's L'Enfant et les sortilèges (Ravel) and Overgrown path (Janacek). Mon to Wed in Amsterdam, Stadsschousthors (24.22.11) The Mon to Wed in Amsterdam, Stads-schouwburg (24 23 11), Thur in Nijmegen, Schouwburg (22 11 00). Masstricht, Schouwburg The Moscow Ballet with The Bluebird in the Saz choreography (Thur). (21 33 00). Insterdam, Meervaart. The Clwyd Youth Dence Group from Wales (Tue). (10 73 93).

tasisoper: Maria Stuarda conducted by Fischer with Baltsa, Gruberova; Manon conducted by Fischer; Simon Boccanegra conducted by Graf with Cotrubas; Die Entführung aus dem Serail (33 24/26 55).
Volksoper: My Fair Lady, conducted by Bane-Theussi; Schwanda der Dudelsackofaffer Day Zamada. Dunelsackpfeifer, Der Zarewitsch; Der Bettelstudent (53 24/28 57).

New York City Ballet (New York State): Still largely reliant on the repertory developed by George Bal-anchine, the company's month-long programme includes Mozartiana. Stars and Stripes and Donizetti Variations. Ends June 22. Lincoln Center (870 5570).

letropolitan Opera (Opera House): The final week of the season fea-tures Sir Peter Hall's production of Carmen, conducted by James La-

SOS Band and Joe Cocker

Antony Thorncroft

as a slogan probably never managed to fill Covent Garden and yet the theme's inspiration, sex and drugs and rock 'n' roll," is equally misleading. True, there are often odd sweet But wby can only black bands smells at pop concerts, and get away with such bistant sometimes, for an encore, the sexism and cheuvinism? bands will play rock 'n' roll standards, but since P. J. Proby split his trousers with burgeon-ing monolony the sex has been fairly thinly spreed.

doing to young girls with hig bottoms, and so that no one ladies are lured on stage to act out the fantasies.

see the affair carried (nearly) recent successes.

"Sex and drugs and opera" to its logical conclusion. There is a slogan probably never seemed little embarrassment in the andience, and the play-off between the mainly girl singers, Mary Davis on lead, and the so-solidly funky band produced an exhibitating if unsubtle evening.

The house on Sunday was in a much more sedate mood, which is perbaps a black mark So it was quite a shock to against Joa Cocker who, in the catch the SOS Band at the past, had been something of a Hammarsmith Odeon over the rebel-rouser. There was nothing mammarsmith Odeon over the rebel-rouser. There was nothing of a rebel-rouser. There was nothing wrong with his bend, one of those laid-back American from Atlanta use sex as the most powerful instrument in their line-up. There is no room for instrument in their line-up. There is no room for instrument in their line-up. their line-up. There is no room than swapping flashy riffs with for immende as the men playing the keyboard bass lays it self was suitably heroic, now all aside to show what he likes balding and heer belly hut with a voice furt as fractured. But too many of the new songs are banal and it was only on the occasions when he reached for the blues, and an Since the disco soul which the River Flow," that the event SOS Band cozes out—in its thrilled. "With a Little Help rhythms, most of its lyrics, and in the whole purpose of the subdued; you could not help social occasion—is directed at but feel that Joe Cocker impression it is comparished that the subdued; you could not help social occasion—is directed at but feel that Joe Cocker impression it is comparished as the memorials of his vine, l'Italiana in Algeri, conducted social occasion—is directed at but feel that Joe Cocker is imby James Levine; Don Carlo and mating, it is surprising that we paled on the memories of his Cavelleria Rusticana /I Pagliacci. should be surprised when we past excesses rather than his

FINANCIAL TIMES

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Tuesday April 29 1986

Financing the UN

At the beginning of this year the organisation was owed \$240m in assessed contributions which had not been paid up. In some instances members have merely held hack in order to have the use of the money for their own needs a little longer. But there are others where the withholding was intended to make a political point.

Thus the Soviet Union and its

friends bave refused to pay their share towards certain programmes that they dislike. Likewise the US has refused to pay a proportion of its money to demonstrate its objection to UN financial support of organisations such as the Palestine Liberation Organisation.

Better paid

Understandable though such protests may be, they are in direct conflict with the UN Charter which all members have undertaken to adhere 10. The charter says that the expendi-ture of the organisation shall particular be born by the members "as apportioned by the General Assembly."

the difficultles now being dchated by the resumed session of the General Assembly must he placed at the door of the organisation itself. Mr Richard Yet it is notal Foran an assistant secretary-general of the UN, has said openly that "at this stage a good house cleaning is

Critics of UN housekceping have argued that, for instance, UN employees in New York are very much better paid than us every much better paid than US civil servants. A US pressure group trying to identify possible economies has pointed to \$81,400 set aside for the Secretary-General's stationery and \$537,200 for photocopying paper. These are amounts that require, at least, a detalled justification.

Annual expenditure of about \$880m is not a heavy price to inay for the contributions that the UN has made to maintaining world peace. But there is a strong case for urging it to cut out some of its less essential the contributions. The proper way to achieve this is hy negotiation. High-handed unilateral cuts, as are now being threatened in Congress, cut across the principles of the charter, as does the arbitrary withholding of contributions.

THE United Nations organisation is drifting into financial appointed by the General crisis because of its own spend- Assembly to review UN adminicrisis because of its own spend-thrift ways and because of the high handed action of members that the UN produces too much who are delaying or withholding printed paper and holds too their contributions.

Mr Javier Perez de Cuellar, the Secretary-General, has com-plained that the General Assembly, where every member has one vote, has a taste for establishing expensive pro-grammes which he then has to implement.

Difficulties have been brought to a head by political and financial pressures in the US, which funds a quarter of the UN budget. Contributions are assessed on a formula taking into account the size of each member's gross national product, population and some other indicators. But at US request it has long been agreed that no member need pay more than 25 per cent of the total. No member hesides the US comes close to that ceiling.

Washington is trying to lower ne ceiling to 20 per cent. as the Congress looks for econo-mies to reduce the US budget deficit. It is a popular cry in a country where the UN, and ir Assembly, enjoys little admiration and where every UN official from the Soviet bloc is But much of the hlame for seen as a potential or actual

Yet it is notable that the Soviet Union last year joined the US in voting against the UN hudget for its own reasons, no doubt, but also because it felt that UN financing needed an

reduction of the national ceiling on contributions. But the UN sure to put its house in order. The hig contributors, at their head the US and Japan, as well as the Soviet Union, should exert such pressure by insisting on a smaller and leaner hudget.

Civilian rule in Sudan

necause of the control that a hestile government could exercise on the waters of the Nile, which flows through the length of Sudan. It is also a tempting target for Lihya, seeking to encourage the Islamic fundamentalists in a country in which two-thirds of the 21m population is Moslem. tion is Moslem.

For all these reasons the first

multi-party elections for 18 years were watched with special interest not only by Sudan's eight neighbours hut hy the US and the Soviet Union. That the elections were held at all is greatly to the credit of Sudan's relitive leader Gen Abdul military leader. Gen Ahdul Rahman Swareddahah, for he is ahout to fulfil his promise to return the country to civilian rule, made a year ago when Mr Jaafar Nimeiri was deposed as president after a popular

Rebel influence

Yet Sudan, administered since the coup last April by the transitional military coun-cil and a civilian cahinet, is no closer to resolving its acute problems. The crisis is made un of a ramshackle economy, unable to service its 38bn external deht, a famine (due as much to logistical problems as had weather) affecting 3m to 4m people, and a guerrilla war in the south

Indeed, the situation has deteriorated in many respects. The interim government did deteriorated in many respects.
The interim government did little more than mark time, shows that the conflict in the lacking the authority to carry through economic reforms or to pursue effective peace talks

cratic Unionists Party of Mr the civil war ends, on the basis Sharif El Hindi. outsiders of religious tolerance and would be more confident of the new government's ability to south, can work negin on tackle this demanding legacy. Sudan's economic rehabilitable treatment of the south of the But Umma holds just under a tion.

THERE is more than the well-heing of the people of Sudan at stake as the country's political leaders set ahout the difficult task of forming a coalition clvillan administration to take over from its military rulers.

Africa's largest state plays a strategic role in the Horn of Africa, with a key port on the Red Sea and a border with Soviet-hacked Ethiopia. Sudan is of vital concern to Egypt hecause of the control that a

horse trading now under way is a coalition led hy Umma.
This will not necessarily give Mr El Mahdi a secure hase from which to tackle the issue of Islamic law, so important in efforts to end the war. Should he seek to modify its application—one of the main demands made by the SPLA—his coali-tion could he undermined hy religious extremists both in the Islamic Front and in the ranks of the DUP. Whichever party Mr El Mahdi chooses as his coalition partner, it will not be plain sailing as he tries to reconcile Moslem north and Christian south.

christian south.
in addition to this delicate
halancing act, Mr El Mahdi will
have to handle the new government's relations with Libya and Ethiopia in a way which does not scare off western aid

Both countries play an portant role in the war. In the case of Libya, the rapproche-ment initiated since the coup ment initiated since the coup has led to the supply of aircraft by Col Gadaffi for use against the rebels, a development which while strengthening Khartoum's military effort has deeply alarmed the US. Sudan has also sought—although with little success—closer ties with Ethiopia, another of President Reagan's hetes noires, in an effort to end the support the effort to end the support the SPLA has received from Addis

with the rehel Sudan People's tures to the rehels is an en-Liheration Army lcd by Col couraging development. The John Garang.

Had the elections produced a clear mandate for either ment of national unity but Umma, the party led by Mr Sadiq El Mahdi, a prime minister in the 1960s, or the Demoster in

GLOBAL ECONOMIC CO-OPERATION

A tune but not yet harmony

By Philip Stephens, Economics Correspondent

lower inflation and borrowing costs, and strengthened policy-co-ordination is the pro-mise now being beld out by governments of western industrial nations.
Only the still-bleak prospects

for the unemployed, particularly in Europe, have marred the upheat assessment endorsed by economic policy makers at a series of international gather-ings this month. And even on the johs issue, many govern-ments express private, if rather cynical, confidence that they can defuse the polinical impact until demographic trends come to their rescue in the early

So as next Sunday's world conomic summit in Tokyo approaches, officials are fairly confidently packaging this favourable outlook " to secure the maximum political henefit for the seven participants.

The discordant notes which have occasionally sounded among finance ministers in recent weeks will he carefully toned down. The first rule of summits (usually if not in-variably respected) is that while the heads of government can he frank in private, the oublic perception should he of

primistic harmony.

In fact, there are several economic issues which could strain the two days of talks hetween the US, Japan, West Germany, France, Britain, Italy and Capada and Canada.

Washington's insistence that other governments do more to step up the pace of economic growth, Japan's huge current account surplus and sluggish economy, and disputes over farm trade and export credits are all potential irritants.

The turbulence on financial markets over the past few days. centering on a further appre-clation of the yen, will also serve as a reminder that the so-far orderly decline in the dollar's value cannot be taken for granted.
Against that, the seven gov-

ernments have plenty to pro-vide the optimistic gloss that the protocol of such annual gatherings dictates. President Reagan's recent "Winds of Freedom" speech has probably set the tone for the final com-The collapse of the oll price,

the collapse of the oil price, cutting the combined import hill of industrial countries by perhaps \$300n tols year, has, along with the dramatic change in the pattern of exchange rates, transformed the outlook for western economies for western economies. The latest forecasts by the International Monetary Fund

WORLD economy with Germany and Japan there may faster output growth, he price stability or even lower inflation and bor-The implications for interest rates are already clear on the world's stock and bond markets. In nominal terms short-term

rates have fallen to their lowest for more than a decade. Less remarked on hut more signl-ficantly there has been a much steeper reduction in long-term horrowing costs; the return on long-term US honds has fallen hy four percentage points in the last year. The major imbalances in the

world economy which last year were seen as a potent threat to sustained recovery—the US hudget and current account deficits and Japan's huge trade surplus—have not disappeared. But the sharp depreciation of the dollar since last year and the Gramm-Rudman-Hollings deficit reduction law both make deficit reduction law both make orderly progress at least plaus-

thle.
The general mood of confidence, sometimes almost complacency, has heen reinforced by the enhanced co-operation between governments since last September's Plaza accord among the Group of Five (the summit group minus Italy and Canada) to act against the dollar.

Since then, co-ordination has heen extended to the timing of interest rate cuts and to a general commitment to widen the focus of concerted action. That might include agreement on wider objectives for, say, output, current balances and inflation.

The deht problem has in the

view of most western governments become just that—a prob-lem rather than a crisis. Though individual countries, particu-larly oil producers like Mexico and Venezuela, still face serious difficulties, tha perception is that they can be "nursed" along without serious disrup-

The case-by-case approach developed by Mr James Baker, the US Treasury Secretary, has won universal acceptance among the seven and a grudg-ing, if none-too-public, acknow-ledgement from most of the primipal debtors. So what is there to cloud what US officials call this

"potentially brilliant" picture?
For a start, policy co-ordination within tha Group of Five
Is not as smooth as it appears
on the surface. Last week's
joint interest rate cut by the
US and Japan might be taken as evidence that co-operation has never been closer. Mr Noburn Takeshita, Japan's Finance Minister, stated hluntly that Japan had cut its discount rate Minister, stated hiuntly that
Japan had cut its discount rate
because he had pledged to do
so in a meeting two weeks ear.

Japan had cut its discount rate
caused intense annoyance in
Tokyo.



encouraged Mr Nigel Lawson, Britain's Chancellor, to make a public statement aimed at

and the Organisation for Economic Co-operation and Development suggest that the economic recovery will be sustained through 1986 and 1987 with growth in the Industrial ised world averaging more than 3 per cent in each year; and that despite a massive fall in demand among oil producing nations.

In parallel, the average Infinity of the average Infinity of the average Infinity of the parallel, the average Infinity of the continuous and that it is likely to drop helow 3 per cent; in West

So in a meeting two weeks ear. Tokyo.

West Germany's aloof stance West Germany's aloof stance during the latest round of interest rate cuts has made the latest round of interest rate cuts has made any guarantee that it will put international ahead of domestic priorities.

Then, Mr Baker are glimpse of the tensions which the very success of the Plaza accord has generated within the Group of Flve.

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Then, Mr Baker are glimpse of the tensions of the tensions at rare glimpse of the tensions are cuts has made a rare glimpse of the tensions at rare glimpse of the tensions which the very success of the latest round of interest rate cuts has made at rare cuts has made a rare glimpse to give any guarantee that it will put interest rate cuts has made autous agreed to consider set unwillingness to give any guarantee that it will put interest rate cuts has made and of domestic priorities.

The Mr Baker are glimpse of the leastest round of interest rate cuts has made at the least round of without a recommendation of without a recommendation of mations are difficulties,

At the meeting funders of without a recommendation of interest rate cuts has made at the it at the l

of finance ministers setting interest rates. The commitment endorsed at

the IMF meeting to strive for enhanced international co- far more general exhortation for operation is also not without all governments to do more to

Finance ministers might, for example, agree on indicators for fiscal and current account positions, growth and inflation as well as exchange and interest

Deliberately fudged was the extent to which governments might surrender national sovereignty over economic policy in the interests of international economics. national co-operation.

Mr Baker, who now appears to be adopting a position closer to that of France than West Germany on several aspects of international monetary reform. wants what he terms some degree of "automaticity" in a strengthened international sys-

That he explains, could mean anything from simple "peer group pressure" resulting from the publication of objective Indicators to perhaps mandatory concerted intervention to tackle serious imbalances.

West Germany, and to a alightly lesser degree Japan, would prefer, however, not to be anywhere on that spectrum. Bonn officials left the IMF meetings boasting that they had diluted the commitment to objective indicators and ridicul-ing tha idea of any system of

Mr Takeshita gave a similar view. "Mandatory policy goals or triggers are unrealistic," he

The differences run deeper. Mr Baker's objective is to secure agreement that the ohligations imposed by co-operation should apply even handedly both to those nations with large current account deficits and to those with comparable sur-

Thus promised US action to tackle the fundamental problem of its budget deficit should be mirrored by a comparable effort by Japan and West Ger-many to reduce their trade sur-

many to reduce their trade sur-pluses.

That debate was neatly re-flected in the drafting of the communique released after the recent annual meeting of ministers at the OECD in Paris. The most instructive element in the two days of talks was not the final communique hut a comparison with earlier

. Mr. Baker sought an explicit call for Europe and Japan to step up their economic growth rates and for countries with negligible inflation to take the lead in cutting interest rates.

After two days of argument. co. far more general exhortation for

with sustained growth and low in Japan and Europe is rela-inflation.

The alternative to a more rapid expansion outside the US is seen as another sharp decline in the dollar's value. And, as the events of the past few days have shown, that carries the risk of a resurgence of US inflationary expectations and a reversal of the downward trend

interest rates. According to Washington, the dollar's depreciation so far will still teave the US with trade and current account deficits of around \$100hn in 1987 and the prospect that both would then begin to rise again. (The OECD is even less optimistic predicting a current account shortfall of \$120bn in 1987.)

That, in turn, threatens a resurgence of protectionism in the U.S. Congress, which was dampened hut not extinguished by the Plaza accord. "I must tell you frankly that protec-tionism in the US is not dead," Mr Baker said at the OECD.

The reaction from his counterparts is not encouraging. Mr Takeshita, who has seen his political popularity waning as the yen's appreciation has hit exporters, has pledged full co-operation on interest rates. And the recent publication of the Maekawa report on restructuring Japan's economy is clearly designed to defuse some of the expected criticism at the sum-mit of Japan's surplus.

Japan has resolutely refused, however, to do what the US European governments and the IMF have been urging — to stimulate domestic demand by relaxing fiscal policy.

In Enrope, West Germany in-sists that its economy is growing at the limits of its capacity, while Mr Lawson claims that Britain's record on output over the past few years is one of the best. Some officials privately argue that Mr. Baker's, statements are rhetoric de-signed for domestic consump-

Others are finding Washington's new co-operative spirit mic isolationism which charac-terised the early Reagan years. They are irritated that a gov-ernment with such a huge budget deficit should presume to compile long lists of policy prescriptions for the rest of the world and offer constant re-minders of the high level of unemployment in Europe.

"Sometimes I think I preferred Donald Regan (Mr After two days of argument. Baker's predecessor), who did the US was forced to accept a not give a damn what was going far more general exhortation for on in the rest of the world," one senior European official

The US Treasury Secretary has made it clear, however, that his first policy priority remains faster economic expansion worldwide to close the "growth gap" between the US and other industrial nations.

His central point is that the recent fall in the value of the dollar will not be enough to secure a smooth reversal of the nresent current account imhalances as long as growth confided recently.

Of course, all this will be glossed over in Tokyo, where statements on international terrorism are anyway likely to grab the headlines. But with the spirit of protection still hubbling under the surface in Washington, the EEC/US dispute over farm trade tunresolved and the foreign exchanges still volatile, the summit community inhalances as long as growth

Hong Kong bids

A great number of people in Hong Kong, from business executives and hank clerks to Chinese amahs and night cluh hostesses, are plundering their savings, stretching their over-drafts, and raising loans in a hid to huy Cathay Pacific shares in the public flotation that closes today. As a result the colooy's hanking system faces an extraordinary strain.

an extraordinary strain.

An estimated HK\$40hn is likely to be thrown at the HK\$1.54hn offering. That represents about twice the notes and coin in circulation in Hong Kong, and is roughly equivalent to the colony's money supply.

Bankers talked yesterday of pressures the like of which they have not seen for years. Interest rates on overnight and one-week and two-week money have soared to around 7 per cent on

the local interhank market.

The Hong Kong dollar, linked to the US dollar at a level of HK\$7.80 to one, has come under strong upward pressure as funds have poured. Into Hong Kong from overseas. While some of this is accounted for by interest from foreign investors, a large proportion is thought to he the foreign currency savings of Hong Kong

investors.

The Hong Kong and Shangbai Banking Corporation, into which subscriptions for the Cathay share offer must be deposited, sparked controversy when it said it would charge a handling fee of HK\$200 for every HK\$1m lent on the interbang market for the duration of the Cathay offer.

In the already confused of business prospects back interhank market other bankers home in the US. saw restters differently. They
were sufficiently inflamed to
accuse the Hong Kong bank of
abusing its privilege as the
the Us.
Nearly half of Sysco's \$3bn
in annual sales goes to the
away-from-home market.
Taway-from-home market.

Men and Matters

squeeze markat rates as it liked.

To avoid what could have developed into an ugly and politically sensitive debate over its role as Hong Kong's de facto central hank, plans for the bandling fee have since been dropped.

Meanwhile, the very considerable interest earned by the Hong Kong hank on subscriptions for the Cathay offer—which must be paid by today and will not be returned until allot went is completed on May allotment is completed on May 8—will he used to defray the HK\$14.8m costs of mounting the offer, Cathay Pacific says.

The Hong Kong bank currently owns 30 per cent of Cathay, with Swire Pacific controlling the other 70 per ccnt. That will he diluted to 23:25 per cent after the flotation. earning a windfall HK\$670m for the hank.

From all angles the Horg Kong hank seems certain to ha a major heneficlary of the flola-tion exercise.

Bigger bite

European boteliers and airlines are smarting from Americans' fears of terrorism.

But every cloud has a silver

the Cathay offer.

The bank said it needed to be compensated for the additional costs and risks involved in handling the extraordinary in handling the extraordinary the pond yesterday to give London hockers a rosy picture.

territory's clearing bank, claim-ing that its greater-than-usual grip on the territory's bank deposits would enable it to director, foresees "a delightful



Brigade hasn't paid its British Telecom repair bilt? "

summer in America for awayfrom-home eating."

Lowrey is not himself awed hy the risks taken by Americans travelling abroad. "When you grow up in Lubback, Texas, you don't worry about terrorists," he says hravely.

New metal

Eugene Anderson, the American chief executive of Jonnson Matthey, is celebrating the first anniversary of his arrival at the precious metals group with a wholesale shake up of its operating structure. It is the fourth stage in the revitalisation of the group in the wake of the nisatler which engulfed its former banking

subsidiary, Johnson Matthey Bankers, in October 1984. Anderson, who joined the company a year ago, first set about reducing its debt hurden. Then he followed up with a refinancing programme, and a study of all the company's husinesses to determine the core activities on which it should concentrate. Now comes a move to streamline the group's corporate streature. group's corporate structure into four new divisions. They are to be materials technology; catalytic systems; precious metals; and colours and print-

ing.

The aim, he says, is to allow greater strategic control from the group ho, and increased accountability, while increasing world market shares.

Final deadline?

Time may be running out for London's Press Club. Yesterday, following an unhappy hearing in the hankruptcy court the bailiffs were carrying off the furniture.

The club, in Shoe Lane, just around the corner from Fleet Street, might he expected to

he full to capacity each even-ing, especially with Britain's licensing laws being what they are. It has the longest uninare. It has the longest unin-terrupted drinking hours in the country—from 11.30 am through to three o'clock the following morning.

In fact, the sad truth is that it has no more than 500 "regulars." and a majority of its 2,000 members these days are in public relations

Press Barons and patrons
alike are being asked to dip-into their wallets to stave off

into their wallets to stave off disaster. Last night, an emer-gency meeting of the com-mittee and its legal advisers was discussing plans to put the cluh into liquidation. Nearly £200.000 has to be found

quickly. The club-founded in 1885is now situated in plush premises owned by the International Press Centre. Formerly it occupied more modest quarters in Salisbury Court

Observer

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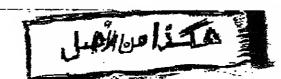
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..... it's as simple as childs play.





Gatsha Buthelezi leader of the Zulus, South Africa's largest black tribe. once warned the Government that those who think right-wing whites pose a greater threat to stability than does apartheld are grossly deceiving themselves.

In recent months, however, there has been a surge in sup-port for white right-wing groups, both in and outside Parliament. This is deeply worrying the National Party (NP) Government beaded by President P. W. Botha.

The party's concern was ex-The party's concern was expressed most clearly in a front page editorial of the latest edition of the NP magazine. "The Nationalist." It said a spate of random shootings of innocent hlacks by whites and the growth of white vigilante groups ware playing into the hands of "revolutionaries." It also specifically attacked the extreme right-wing Afrikaner. asso specifically attacked the extreme right-wing Afrikaner Weerstandsbeweging (Afrikaner Resistance Movement), a paramilitary group of right-wing Afrikaners, which considers Mr Botha and other nationalist leaders "traitors to the Afrikaner volk" and wants to reestablish the Orange Free State and the Transval as independent Boer republics. dent Boer republics,

Last week a Government minister, Mr Louis Net was shouted down by a group of AWB rowdies at an NP political meeting in the largely Afrikaner mining town of Brits near Johannesbury and Brits near Johannesburg and the President himself was heckled strongly at nearby Vereeniging.

It must have been an ironic sensation for Mr. Botha who early in his own political career gained a reputation for broaking up political meetings of the Union Party in the run up to the 1948 elections which brought the NP to power.

The National Party has a large majority in the House of Assembly, and is not obliged to hold general elections until It must have been an ironie

to hold general elections until 1989. But five by-elections in late October registered a 20 per ceut swing to right-wing parties, giving the Herstigte Nasionale Party (HNP) in the person of Mr Louis Stoffberg. its first seat in parliament; and resulting in the first NP loss in the Orange Free State since

The upsurge in support for the right is not comined to Afrikaners. The right-wing parties are gaining support from working-class English immi-grants as well as from the ranks of the 800,000-strong Portuguess-speaking communities, many from the former Portuguese colonies of Angola and Mozambique, as well as from former Rhodesians and others who moved south. Mr Kons Van Der Merwe, the CP member for a predominantly working-class Johannesburg suburb is a typical Afrikaner effort to learn Portuguese to

WHITE POLITICS IN SOUTH AFRICA



We, the Boers, will fight to the bitter end-as we did against the British-to defend our land 9

> Mr Eugene Terre Blanche leader of AWB

 National Party. In power since 1948. Now rejects apar-theid and advocates power sharing. 127 seats Progressive Federal Party (PFP). Official opposition with main support from English "liberals" and big business 27 cents

husiness, 27 seats Conservative Party (CP). Right wing Afrikaner pariy, loyal to apartheid, 18 seats

New Republic Party.

Dying rump of old Union

Party of General Smuts. • Herstigte Nasionale Party (HNP). Policies like CP bnt personal rivatries, neep them

apart. One seat Afrikaner Weerstands-beweging (AWB). Para-military, extra-parliamentary group of die-hard Afrikaner Weerstands-

Afrikanerdom fights back

By Anthony Robinson in Johannesburg

win support among this section of the community.

The CP, under its leader Dr. Andries Treurnicht, broke away from the National Party in February 1982 in protest against what it saw as Mr P. W. Botha's abandoument of tradi-tional apartheid. It boasts some formidable orators like Dr Ferdinand Hartzenberg and men with bitter personal grudges like Dr Connie Mulder. grudges Molder.

It was Dr Mulder Mr Botha defeated in the 1978 leadership struggle by exploiting his involvement in the scandal over the use of public money clandestinely to set up newspapers and an international disinformation network. work.)

The split in Africanerdom re-flected in the CP breakaway was the first casualty of Mr Botha's original "reform" strategy, aimed at bringing Indians and Coloureds into the political system via a new con-

The CP argued at the time that the new constitution was the thin end of the wedge. Once the principle of white rule had been hroken, they said, forces would be unleashed which would lead inevitably to the inclusion of hlacks and the

swamping of the whites.

What makes Mr Botha's position so difficult is that, on the wedge at least, thay were right. Any illusion that the reform process would be stoppable at the anternal coloureds. the entry of coloureds and

been destroyed by the con-tinuing wave of violent protest sparked off by the exclusion of blacks from the new constitution.

Although Mr Botha stub-bornly maintains that the 66 per cent "yes" vote from the white electorate at the November 1983 referendum still represents a mandate for reform, senior Government ministers now concede that the new constitution is fatally flawed and that some way must be found to give blacks effective political representation.

On top of all this South Africa has been suffering its steepest recession since the war. White and Coloured unemployment bas risen by 180 per cent. ment bas risen by 180 per cent. quite apart from the more publicised, and even more severe, hardship for blacks. At the lower end of the social scale "poor whites"—including increasing numbers of white beggars in Johannesburg and other cities—have reappeared and the incomes, of the white middle. incomes of the white middle and working class bave been severely squeezed. Urban whites have seen their disposable incomes dwindle under the combined pressures of inflation, rising taxation and record mortgage and other interest

White, mainly Afrikaner, farmers, meanwhile, have been burt by four years of droughtonly partially broken this year
—which has raised farm debt to over 11 bn rand and led both

A spate of ANC-planted land mines in the border farming districts of Northern Trans-vaal, in which 10 Afrikaners, including two children, died has made matters worse. So, too, has another crisis on the West Band where inhabitants of the newly-built white hous-ing estate of Dan Plenasrvillo near Krugersdorp demanded the forced removal of the nearby longstanding township of Munsieville.

After a spate of robberies and complaints about loud music and other vexations, white vigilantes, including its alleged off-duty policemen, staged punitive raids on the township. On several occasions whites in ears shot and wounded innocent black

Mindful of the likely international outcry if long-estab-lished Munsieville were to be forcibly removed. Mr Botha announced instead that a high steel security fence and high-way would be built to separate it from the white estate—a solution strongly reminiscent of the Berlin Wall.

These are harsh measures taken in a barsh land. But for Mr Botha, and senior ministers like Mr F. W. de Klerk, party boss in the Transvaal, the right must be assuaged if the reform process is to retain momentum. Fallure to heed the rumblings

Indians into Parliament has to farming bankruptcles and a from disaffected Afrikanerdom been destroyed by the consocially unsettling emigration can only play into the hands of both the CP and the even more mcnacing AWB, led by a stocky, bearded 43-year-old ex-policeman and rughy player Mr Eugene Terra Blanche.

In an interview at his Pre-

toria headquarters earlier this month Mr Terre Blanche spelled out the AWB's ambition. It is to restore the old independent Boer republics to the Afrikaners whose Independence was taken away from them, first by the "Uitlanders" who flooded in to exploit gold and diamonds, and then by the British Imperial Army, which defeated them in the Boer War. In recent months, Mr Terre Blanche has been hammering boma the message in school halls and stadiums decked with a red, white and black three-legged symbol reminiscent of the swastika and marshalled by blond youths in brown para-

military uniforms. The AWB is a political and para-military movement — not a political party. About 80 per cent of its members vote for the CP and the rest for the HNP, be claims.

Mr Terre Blanche declines to estimata the number of his sup-porters, only that he has addressed more than 20,000 people in the last three mouths. As for the AWB's support in the police and the armed forces - a matter of deep concern to the Gov-ernment—he merely points out that over 80 per cent of the middle ground.

police are "Boerseuns"-sons of Boer farming families, and so are most of the army.

"They have taken an oath of bonour to defend their country and their nation. I can understand that they are interested in the AWB. We are proud and tbankful for them. They are the hest in the world and I defend them from platform to plat-

A powerful, throaty oralor on stage, Mr Terre Blanche explains his vision of a future South African constellation in a quiet, gravelly voice with few ges-tures, and penetrating tooks from blue eyes undar beavy brows.

"I am not a racist, I don't want to take from the black man because I am white," he

"I want only the country of my people, the Afrikaners. I don't want Buthelczi's land, or the Transkei. As for the whites of the Cape and South Natal they can decide their own future. That was never really

Boer country."
What Mr Terre Blanche is eampaigning for is not only restoration of the Orange Free State and the Transvaal but also a corridor to the Indian Ocean through to Richards. Ocean through to Richards Bay. When asked what he in-tended doing with the millions of non-Afrikaners in Johannes-burg, or the nearly 2m blacks in Soweto alone, he acknow-ledges the difficulties. Both would become a sort of city state within the Transvaal.

He is vehemently opposed to the Government's concept of power-sharing. "I don't helieve in it and neither do the ANC. They want the whole of South Africa—through majority rule and revolution. I believe the and revolution. I believe the only way to peace ia for every nation to be itself without interference. You cannot ask a minority to ba part of a majority in a power sharing system; it leads to hitterness and harred. We the Poers will and hatred. We the Boers, will fight to the hitter end-as we fight to the hitter end—as we did against the British imperialists—to defend our land."
But can Afrikanor sovereignty be restored peacefully?
"No. We stand at the beginning of the greatest violence ever seen. The ANC is ready for war and revolution. It all boils down to a clash between two forces—the AWB and the ANC. They want it all. We only want to keep our part."
At this stage it is still posaible to see Mr Terre Blanche

aible to see Mr Terre Blanche as a dangerous romantic, appealing to a small minority of confused, embittered and basically simple people caught up in a world changing too fast for comfort. Keeping it that way when the rise of the AWB is mirrored by similar radical-ism on the revolutionary left is not an easy task for a govern-ment which, for all its shortcomings, occupies much of what is left of a shrinking

Lombard

The management of science

By David Fishlock

scientific adviser to the been the great engine of change in our society for the past hall. Like his predecessor, Sir century. How Ironic, then, that Robin Nicholson, Mr John Fairelough has been seconded from industry—IBM—where he gained considerable experience inspired or helped to bring about in management practice, in about.
contrast to most of the disinguished academics tradian adequate data base of its tionally recruited for this post. own activities and practitioners.

Mr Fairclough's appointment Recent difficulties in putting a is not the only event which figure to the number of post-makes the latest conference of doctoral research workers in

makes the latest conference of the Ditchley Foundation very Britain is evidence of this failing. Without such data how can management and funding of science—a controversial issue which reaches far beyond Britain's shores, as the international assembly made plain, and one in which scientists in other countries ofton believe a community which was once themselves much worse off the point of arrogance, but

fresh state of the first of the areas which bave a special value to the long-term economic health and aspirations of the nation. Another finds that even in absolute terms the beatth of its science base leaves much to be desired.

Many scientists have a simple

answer: more money across the board. But the more perceptive few have begun to acknow-ledge that, at the levels of spending already established, society does have a right to question its indulgence as principal patron, and to ask questions about returns and

Unhappily for science such Unhappily for science such answers as are coming to hand are not satisfactory. Science has been loath to analyse its own problems; to fund the "science of science." Its many problems might be summed up as a worrying loss of credibility with society. Must its growth in expenditure always. growth in expenditure always outstrip inflation? Why does it find it so hard to stop research which is yielding diminishing returns? Are scientists simply confusing society by provocatively raising hopes or fears— interferon, damage to the at-mospheric ozone layer, acid rain—which are unwarranted by their own evidence? Has such controversy merely been

self-serving?

THIS WEEK a new ebief Science has undoubtedly scientific adviser to the been the great engine of change

The Ditchley conference has also taken place at a time when fresh studies seem to be review system believed by most —though not all—of its practitioners to be satisfactory for managing the detail of science seems to he unsatisfactory for managing the broad strategy.
As Sir Douglas Hague, chair

man of the Economic and Social Research Council, has pointed out recently, management practice differs profoundly from management as practised elsewhere in society. As a result it is failing to communicate its own potential. Society is not bostile to science. It simply fails to understand what is eating the scientists.

The answer, surely, must lie in professional management at the top of science. Just as the Cabinet Office, in choosing its new chief scientific adviser, has recruited a manager versed in the value of science and engineering, so the research councils which manage Britain's £660m science hudget must recruit colef executives. Their primary job would be to align the rewith management practices applied elsewhere.

The target would be a rebirth of the high degree of confidence science enjoyed for a couple of decades after the Second World

Personal equity (The Partition and Sad said) plans

From, Mr M. Horbey

Sir,-After all the excitement caused by the Chancellor in his Budget speech, It is somewhat 37 of the Finance Bill taken together with Schedule 8 there-to enables the Board of Inland Revenue to make regulations about personal equity plans, What I find extraordinary in the wording is the mixture of indicatives and subjunctives; for example, in paragraph 1 of Schedule 8 the Treasury may make regulations, whereas in sub-paragraph 2 the regulations shall set out the conditions. In sub-paragraph 3, again the reguletions may "inter alia" specify bow relief from taxes lead to a claimed by and granted is to be claimed by and granted

With its usual approach to life the Revenue appears to be taking powers to stop precisely what the Chancellor intended. Unfortunately, this is all too eommon an occurrence and was a feature of the first attempt to liherate the economy with the original business expansion acheme legislation. Here we see that in paragraph 2 of Schedule 8 the regulations may include provision that an investor in shares shall cease to be entitled to relief from tax and the plan manager concerned shall he responsible for paying over to the Revenue any tax errone-ously credited to the PEP holder, Further regulations may provide that investors under plans cease to be entitled to the contemplated tax-free roll-up and the regulations may also include provisions, no doubt complex, for the general administration of PEPs.

If this idea is ever to get off the ground it is essential that the administration is as simple as possible and I do not believe any plan manager is going to get terribly excited about the concept until these regulations are in fact issued, dehated and clarified. The main item which comes to mind is that if an Individual is to obtain a taxfree roll-up for his investment then it would appear that aome-how a central Revenue office should be set up to deal with the tax repayments. The con-cept of such matters being dealt with in the district dealing with the individual's normal tax affairs makes me shudder and one can perceive a string of partially completed PEPs left to be administered long after the individual has decided to eash in his gains.

This letter, Sir, is a plea for a simple and efficient system to be introduced to enable these products to be sold and for the managers to manage without drowning in a sea of irrelevant form-filling.

M. S. Harvey.
Highfields House,
Highfields, Ashtead, Survey.

Letters to the Editor

Reforming

taxation From Mr G. Chichester

Sir,—In your Leader of April 25 you cast doubt on the merit of transferable allowances in the proposals for the reform of personal taxation. What is it that you have against marriage? Not only would this change remove the current inequitable treatment of women but it would end the bias against, and penalty on, those families where the mother (or father, for that matter) sacrifices earning capacity to devote full care and attention to raising a family. It is the family which is the bedrock of society and provides the best environment for bringing up the next generation.

Better you should ask whether this reform would reduce the number of single parent families by removing the disincentive to marriage

inherent in the present system, than to be concerned about the possible number of married women deterred from entering the employment market. Better still, to ask how best support for the genuine single parent family (I exclude those who are so by choice) should be provided.

Giles Chichester. 9 St James's Place SW1

World Bank lending

From the Vice President, External Relations, World Bank Sir, — In view of your April 1 article on the Baker plan, please allow me to elarify the World Bank's position regarding

programme lending to developing countries. At the World Bank, pro-gramma lending is not treated as a means of providing balance of payments support for debtors. Rather it is the end product of a thoroughly evaluated plan, tailored to the particular needs

of the country's economy or a particular sector, for reforming government policies and 'pro-grammes in order to stimulate While the World Bank remains primarily a projects lender, its programme lending is designed to achieve policy

changes that increase producti

stoy systems and tostering mar-ket-based incentives for agricul-tural producers, the bank's pro-gramme lending improves the economy as a whole. Indeed, our programme loans help make our projects loans — past, pre-sent and future — more effec-Not all economically sensible lending for development is sus-

ceptible to rate of return evaluation. Programme lending, as practiced at the World Bank serves as a catalyst for the improvement of developing nations' export earnings and their participation in international trade. Jose Botafogo,

sidy systems and fostering mar

1818 High Street NW, Washington DC 20433,

Industrial copyright From Mr D. Gee

Sir,—On April 22 you report a statement by the chairman of the Industrial Copyright Reform Association that the Government proposals in White Paper Cund. 9712 will threaten the transport of the control jobs in the spare parts industry and consumers' ability to buy a range of cheap replacement parts.

It is difficult to see bow this can be. The White Paper was published only 46 days after the Honse of Lords decision (in British Leyland v Armstrong Patents) and even the most energetic spare parts manufacturer cannot have selected and recruited many suitable staff in that time; and the sparo parts manufacturers, for most of the fast-moving parts with which they are principally con-cerned, have the ability to design alternatives which do not intringe the original equip-ment maker's copyright, thereby increasing the choice available

to consumers. For the remaining spare parts, such as body panels which aesthetically need to match existing exterior parts, the proposed compulsory parts, which match posed compulsory provisions would the ' appear to provide an adequate safeguard to protect the public

If any criticisms can be levelled against the Govern-ment proposals they are surely that the proposed term for the vity and decrease barriers to new unregistered design right is too short, and will be a posiinternational trade. Through such measures as reforming un-economic trade policies and sub-

turers wishing to market reliable long life original equipment but who need to recoup some of their R and D expenditure from spare part sales; that insufficient credit has been given to the ability of British designers to provide non - infringing alternative designs; that the problems for under the proposed EEC product liability directive if there are too many unauthorised look-alikes bave been insufficiently addressed; and that no clear guldance has been given on wbether components which in use have to be joined are to have their mating parts excluded from protection.

D. W. Gee. The Farmhouse. Nr Sutton Coldfield W. Midlands.

the fleet

From Mr G. Bonwick Sir,—In his excellent article on merchant shipping (April 25) Andrew Fisher remarks that the British Maritima

Only two years ago, in his presidential report, Admiral of the Fleet Lord Hill-Norton stated that "the attitude of Governments of both parties all things maritime has for a long time been one of ignoran apathy and the apparent belief that although the country's maritime industries are fast declining they are not worth saving . . . Some in departments

In addition, the Nantical Institute's journal Seaways later reported that in the course of an address at Dover the BML's director, Comman-der M. B. F. Ranken, RN (Ret'd), "reserved the severest censure for Ignorant civil ser-vants who must shoulder much of the blame for the declina in matters maritime. The majority

Decline in

that the British Maritima League's latest publication Why the Ships Went "bardly broke new ground." This is true but it does suggest there has been a marked change in the League's approach, if not a complete volle face, if it does not now "hlame the Government for the decline in the fleet." as Mr. Fisher puts it. fleet," as Mr Fisher puts it.

are even describing them as sunset industries."

had not the remotest idea of maritime affairs yet readily pontificated on such matters. Hopefully, the League will eventually acquire a better comprehension of the facts of maritime tife, than it has discovered affacts of the facts of maritime tife, than it has discovered affacts of the facts of maritime tife, than it has discovered affacts of the facts of the facts

played since its inauguration. Maybe it will come to share my belief that if the Government bears any blame for the industry's decline it is for help-ing it too much in the past rather than too little. George J. Bonwick, 17 Chestnut Avenue



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FINANCIAL TIMES

Tuesday April 29 1986

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RTZ's UK tin mines 'almost certain9 to close

By Stefan Wagstyl In London

RIO TINTO-ZINC, the UK-hased natural resources group, yesterday announced that its three tin mines in Cornwall, the county at the south-western tip of England, will lmost certainly close in the wake of the international tin crisis.

Redundancy notices were issued to the f,000-strong workforce. Mr Brian Calver, managing director of RTZs wholly owned Cornish sub-sidiary Carnon Consolidated, said only government aid would stop the es closing from August 1.

RTZ is next week suhmitting an application to the Department of Trade and Industry for grants towards a £20m (\$30m) cost-reducing investment programme. But in a statement issued yesterday the company clearly recognised that its chances of success were not great. It said Carnon had concluded that

closure "seems inevitable," and the outlook was "hleak," hut RTZ and Carnon would cootinue to pursue every avenue, including discussions with the Government,

The RTZ announcement follows the decision of Geevor Tin Mines, the only other Cornish mining company, to stop production at the beginning of this month, laying off most of its 356 workers and retaining only those oeeded to keep the mine and plant in running order.

Geevor has said that even that work will cease unless the Government promises aid. The company is meeting DTI officials tomorrow to discuss its application for belp in a \$f6m investment programme. Mr Ken Gilbert, deputy chairman, said yesterday that if the DTI officials indicated that aid would probably not be forthcoming, the company would immediately close its mine for good. "Wednesday is the crucial

day," he said. Cornisb companies bave been plunged into difficulties by the collapse in tin prices after the £900m default of the International Tin Council, an inter-government body that ran out of money in October trying to support tin prices.

Prices have fallen from more than £8.500 a tonne to less than £3,700. That is far below costs of some £8.500 a tonne at Geevor, which was losing about £350,000 a month before stopping production. Carnon is losing about £1m a month despite cutting costs to below £7,000

RTZ and Geevor are applying for government aid under the 1982 Industrial Development Act, which allows for capital grants of up to 40 per cent for schemes that create or maintain employment or are "In the national interest." But schemes

Moscow admits to N-plant accident

Continued from Page 1 ally said, the accident only bap-

pened vesterday.

Swedish nuclear experts initially estimated that the accident even

bad it occurred in the Soviet Baltic region, must have happened one to three days earlier for such a wide-spread increase in radiation to have been detected in Scandinavia. The Soviet nuclear power programme has become crucial to Mos-

cow's energy planning. Total nu-clear output was 23,000 MW in 1985, hut that is to be increased hy another 40,000 MW within five years. There are some 46 reactors in operation, and a further 39 under con-

Two researchers at the Moscowbased Institute of Nuclear Power recently wrote in Nature, the scientific magazine, that there have been "no serious accidents at Soviet nuclear power plants - accidents that would pose a threat to the population in the last 31 years," since the

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Algarcin
Algarcin
Amstarda
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Barcalons
Bernas
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Berin
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Wedgwood faces £149m hostile takeover bid

BY LIONEL BARBER IN LONDON

LONDON International Group, the consumer and rubber products husiness, yesterday launched a £149m (\$231m) hostile tid for Wedgwood, the world-famous pottery and china maker whose independence has survived for more than 225

Sir Arthur Bryan, Wedgwood chairman, rejected the bid as inadequate and cast doubt on London International's record as a fine-china manufacturer which began only 18 months ago with the £18m acquisition of Royal Worcester.

Mr Alan Woltz, the US chairman and chief executive of London International (formerly the London Ruhber Company) described the takeover bid as "an outstanding opportunity to create one of the world's largest and competitive fine-china companies," ranking in the top three internationally.

three new shares for every two in Wedgwood. Based on last night's closing prices for London International, down 2p to 219p, the offer values Wedgwood, up 25p to 368p, at 328p a share. The share offer would increase London International's existing share capital by 50 per cent.

Wedgwood suffered a sethack yesterday when a major institution-al shareholder, Mercury Warburg Investment Management speaking for almost 25 per cent of the company, said it had sold 9.9 per cent to a London international associate. In the absence of a competing offer, Warburg said it would accept the Loodon international hid in respect of the remaining 14.9 per cent.

Wedgwood, established in 1759 by Josiah Wedgwood, the father of the British pottery industry, makes and distributes bone china, crystal March f985.

London International is offering glass, earthenware and jewellery some 60 per cent of its turnover is overseas, 37 per cent in the US. For the year ending March f985, i made £15.1m pre-tax profits on £146.4m sales. Last September it recorded a 1.6 per cent pre-tax profits rise to £5.1m on £72.3m, though this does not include the traditionally prosperous Christmas sales period.

London International, once bestknown for its cootraceptives, has recently expanded into photographic processing and, with the Royal 1984, fine china. Combining Wedg-wood and Royal Worcester would give the new group up to a quarter of the UK market.

Since 1980, when Mr Woltz be came chief executive. London International has boosted pre-tax profits £6.2m to £18.8m for the year ending

Scottish oil jobs at risk

BY MARK MEREDITH, SCOTTISH CORRESPONDENT, IN EDINBURGH

ABOUT 6,000 oil industry jobs in f00,000 people directly and indirect to be, deferred. Scotland might be at risk because ly. About 60,000 of the jobs are in BP recently of the downturn of activity that has Scotland. followed the fall in oil prices, ac-Oil company exploration budgets have been cut by an average of 20 per cent and some of the 8,000 drilling johs to the north-east of Scot-

ing toll the drop in prices was having on the oil industry, which in

Most of the oil companies operatcording to a monthly survey issued ing in the North Sea bave already yesterday by the Royal Bank of announced cuts in their exploration Scotland and BBC Radio Scotland. budgets but those have yet to cause redundancies, March unemployment in the Aberdeen area remains static at about 6.3 per cent and no heavy job losses have been reportland were now in severe jeopardy, ed.

GB Petroleum Consultants in London, between 40 and 50 per cent of the development projects in the Britain employs an estimated North Sea bave been, or are likely

BP recently cut £200m (\$3f0m) from its worldwide exploration and development budget. Some 80 per

cent of £f70m dropped from planned expenditure on new exploration and drilling work on existing production platforms relates to North Sea activity.

Shell is similarly reviewing its expenditure offshore and expects substantial cuts to be made in its Tern and Eider fields. Britoil has reduced its exploration budget by 40 per cent to about £170m and Burmah bas reduced its spending by 50

Swiss bank secrecy under pressure

Continued from Page 1

funds are handled through lawyers or fiduciary ageots.

came into being after the 1977 scan- the funds are channelled through dal over the Chiassco branch of Credit Suisse, which had energeti-cally solicited deposits from abroad By raising the issue now, Mr Lanwithout worrying about their origin. Uoder the agreement, the banks

the hanks hut are supposed to de-clare that they know their clients personally and give accurate that agents need not disclose their

The system relies on the integrity of the lawyers or agents involved. The vast majority undoubtedly stick to the rules but it is evident that the system is not watertight. Some managers of foreign wealth had privileged relationships with the tanks, Mr Languetin said somewhat cryptically.

The convention de diligence eign clients by emphasising that, if them, the banks do not have to be

guetin was not trying to shake the foundations of Swiss bank secrecy. undertake to ascertain "with such Few Swiss want to do that. He was care as, according to the circum-making a technical point but, by stances, can reasonably be expect-voicing his doubts about the funced" who is the benefical owner of tioning of professional secrecy In the funds entrusted to them. Fines Switzerland now, be bas not belied of up to SFr 10m (S5.25m) can be the banks to soothe the nervousimposed on banks - but not on indi- ness expressed by some of their viduals - that fail to do so. customers after the Government Swiss lawyers and fiduciary had ordered the freeze of the Mar-

personally and give assurances that the sources of the funds they rethe transactions they are initiating ceive is far from perfect, would not ahuse Swiss banking Normal legal proceeding.

Normal legal proceedings are now taking place in both the Marcos case and that of the funds held in Switzerland by Mr Jean-Claude Duvalier, former president of Haiti. Now that the new regimes in Manila and Port-au-Prince have started to file criminal charges against their former leaders and have formally applied for Swiss legal assis-

Some lawyers and agents are concerned bave instructed banks to said to tout for business with for-block funds held on behalf of Mr Marcos, Mr Duvalier and their

The extraordinary political intervention by the federal Government bas apparently served its purpose of preventing assets from being spi-rited away before the authorities in Manila and Port-au-Prince could act in accordance with Swiss law.

The Government's intervention. even though it quickly passed on responsibility to the Banking Commission, the controlling body, upset the banks. It implied a change in the official attitude towards Swiss bank secrecy. Now Mr Languetin bas seized the opportunity to step up pressures for changes in control

Some members of the Govern ment are understood in retrospect to have doubts about the wisdom of their intervention in the Marcos case. In future, action is likely to be left to the Banking Commission.

But the message from both the Government and the SNB seems clear: a better way has to be found of reconciling Switzerland's international moral commitments with the banks' duty to keep the secrets

Leaders to fight against terrorism

Continued from Page 1

summit would be dominated by the subject of terrorism and cited, with some approval, past complaints hy President Mitterrand that recent summits had lost their original economic justification

impression that he thought the

Indeed, in running through the summit agenda, he mentioned terrorism as just one of several political and strategic issues that would be discussed after international economic and financial matters had been disposed of.

The Prime Minister's principal message was that the summit should be an exercise in "political co-ordination," principally on eco-nomic matters but also in general areas. This summit, he said, should

ahead for the challenges of the 21st left Libya in the past few weeks, ac-

discussions was set out by President Mitterrand in an interview with the Japanese newspaper, Yomiuri Shimbun. He said France was ready to take part in "an international anti-terrorist organisation" that would link police and intelligence services with, if necessary, "a military extension."

In a clear reference to France's refusal to allow American bombers to fly over its territory on the way to their raid on Libya, the President said that France did not want to become involved in "international actions" that it had not freely ex-

David Lennon adds from Lou-don: More than 1,000 Britons bave

Continued from Page 1

trend cootinues," the institutes

warn, "a monetary potential would

be created, leading not to higher

output and employment, hut merely

to higher prices."

The Bundesbank would be forced

detriment of demand, production

ments, "has produced bad experi-

As it is, the five reckon that

prices should rise by only 0.5 per

cent in 1966, thanks to the collapse

in oil prices and the increasing

Although domestically generated

ences enough already."

to adopt a deliberately restrictive earlier.
policy, pushing rates higher, to the Less

Paris cuts rate to stem inflow

and jobs." The result would amount its international impact - is the in-

to a return to a policy of monetary stitutes expectation that West Ger-

stop and go, which, the study com- many's current and trade surpluses

cording to the Foreign Office. The remaining 3,500 to 4,000 British citizens have been warned that there is a distinct limitation" on the consular protection that London can give

Mr Hugh Dunnachie, the only resident British diplomat left in the country, held a series of meetings at the weekend with representatives of the British community to repeat a Foreign Office warning that "they should consider very carefully their decision to remain in British businessmen and techni-

cians planning to go to Libya are being advised by Whitehall to con-sider whether their trip is neces-

cent annually (and if anything ac-

celerating as wage settlements be-

come more generous), its impact

has been virtually ohliterated by the decline in import prices, in

March 18 per cent lower than a year

Less welcome to the German

team in Tokyo - at least in terms of

will both grow sharply in 1986. The

trade surplus might reach DM 100bn (against DM 73.6bn last year)

while the current balance may rise to DM 60bn from the record 1985

The report is confident that the

present upswing will continue into

level of DM 38.6bn.

car market

ries models, the smallest in its range - the sudden resignation last month of Mr Eberhard von Koerber, sales director, was an indication of the concern about its perfor

Reagan to keep human rights off agenda in Indonesia

By Reginald Dale in Honofulu

PRESIDENT Ronald Reagan wil try to remain detached from a growing controversy over allega-tions of corruption and buman rights violations by the Indonesia Government when he meets President Suharto in Bali on Thursday according to US officials accompa-

Congress and human rights groups.
Mr Reagan will stick to his policy of
"quiet diplomacy" in dealing with
the alleged abuses, the officials
said. While the US had "noted" the charges, it believed they were an in-ternal matter for Indonesia.

Nevertheless, the issue emerging as a potential stumbling hlock as Mr Reagan continued his leisurely swing through the Pacific on the way to next week's Western economic summit in Tokyo.

A recent State Department report raised serious questions over hu-man rights deficiencies in Indonesia - including unexplained deaths and disappearances - but Mr Larry Speakes, the White House spokesman, said the most systemat ic and widespread abuses in South-East Asia were in Vietnam and

Vietnamese-occupied Cambodia. Both the White House and the Indonesian Government are highly sensitive about the buman rights is sue, and are hoping that it will not overshadow Mr Reagan's other business in Indonesia. Mr Reagan was due to arrive in Bali tonight after leaving Hawaii yesterday for brief stop in Guam.

The official business on Mr Rea gan's agenda involves meetings with Mr Subarto and the six Asear foreign ministers, to discuss trade, the Vietnamese occupation of Cambodia and regional security. He is also to bold separate talks with Mr Salvador Laurel, the Philippines Vice President and Foreign Minis-

Mr Reagan's critics; however, are claiming that authoritarian Indone. sia is an inappropriate place to visit - at least without commenting on human rights - at a time when be is making so much of the "winds of freedom" be believes to be blowing around the world.

terest among the more than 200strong press corps accompanying Mr Reagan over Indonesia's decision to refuse antry to two Australian Broadcasting Corporation correspondents travelling on the White House press train. The move is part of wider Indonesian reprisals against Australia in response to an article in the Sydney Morning Her-ald last month which accused the Government and Mr Suharto's fam-ily of widespread corruption.

The Indonesian Government has also shown irritation at comparisons made recently between the 20year rule of Mr Suharto and former President Ferdinand Marcos of the Philippines.

no intention of trying to intervene in Indonesian politics. "We believe that Asian nations are the masters of their own fate," be said yester

day.
Countries In the region "must work out solutions to problems on their own according to their own particular, and often unique, cir cumstances. That is what happened in the Philippines," he said.

In another potential difference of opinion with Mr Suharto, Mr Rea-gan also defended US military cooperation with Peking in order to maintain China as a force for peace and stability in the region and the world." Indonesia has frequently shown concern about po tential Chinese expansionism

Japanese lift share in Europe

Continued from Page 1

mance in Germany and some other European markets.

BMW is struggling to get its mix of models right in Germany - it re-mains short of diesel 3-series models and the high-performance 325 immediately available. Demand for the large (and low-volume) 7-series models is on the wane because it is well known that they are shortly to be replaced.

In comparison with Renault BMW's difficulties seem relatively insignificant. The state-owner French group was the only leading producer to suffer a decline in vol ume sales in West Europe in the first quarter - an 11.8 per cent drop

THE LEX COLUMN

Deck-clearance at Inchcape

The market presumably had its reasons for driving the Inchcape share price up 15p, to 358p, on a day which saw the group report a mis-erable set of preliminary figures and the disappearance of a quarter of its net worth. But quite what they were is anyone's guess.

The Inchcape share price is now

trading at a premium of 6 per cent. to net assets on which the group earned a post-tax return of 3 per cent last year. Either Inchcape is poised for a glorious recovery, hav-ing provided for everything in sight, or the market capitalisation will be validated by a far-sighted bidder. Nothing else can explain yesterday's reaction to a fall of a third in

pre-tax profits.

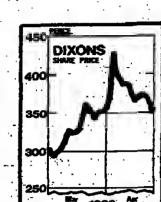
ft is admittedly hard to see how f986 could be any worse than f985. South East Asia, which was bleeding throughout the first half, had started to haemorrhage by the end of the year, resulting in a turnround from profits of £17.6m in f984 to losses of £10.3m. Much lower prices cut tea profits almost in half, while currencies took another £10m off profits and helped to account for the decline in shareholders' funds. And provisions have been made

left, right and centre. Yet the trading outlook on the company's principal markets is still looking none too bright and the dollar is moving stubbornly in the wrong direction, so the main boost to earnings this year should come from a reduction in the tax charge from 73 per cent to about 55 per cent. On profits of £65m pre-tax, the shares would be trading on a p/e of 11 but, bidders aside, it is a yield of 7.2 per cent which keeps the price in its present range.

International equity

The placing of large chunks of equity with international investors is fast becoming a matter of routine. Yesterday Atlas Copco used no less than seven regional distributors to find a home for SKr 530m of equity which had been bought up by Wall-enberg interests during the Great Volvo War: Another Wallenberg company, Electrolux, is already well advanced with plans to raise around SKr 2bn of fresh equity on the international markets next

The quaint old British loyalty to far prevented UK companies from distributing equity with the free-dom enjoyed by their brethren in



1986 perhaps as it should be, but it can-not be wholly logical for international companies such as Hanson Trust and Saatchi & Saatchi - a present concern - to burden the London market with heavy rights issues when the proceeds may be spent elsewhere. London is increasingly providing capital for industry in continental Europe; if British companies cannot obtain reciprocal access to Europe, the likely conse-quence will be local indigestion in the UK primary market.

Dixons/Woolworth

Trench warfare at Woolworth Holdings has bogged down over the past three weeks somewhere be-tween the Woolworth confectionery counters and the accounting policies pursued by the aggressor, Dixons. It is as difficult as ever it was for a management of Woolworth to convince the retailing experts that the high street stores have been managed as anything more than a property portfolio and eash-cow for the development of the B&Q do ityourself chain. Equally, the onus is on Dixons to tell a more convincing story and - since the offer stands at a discount of a fifth to the Woolworth market price - improve its

. At Woolworth, Operation Focus may be better researched than some earlier plans for the revitali-setion-of the FWW-variety chain, but the echo of such initiatives as Operation Crackdown lives in the City's memory. Depending how you slice them, the figures can be taken as evidence either of an agonising breakthrough into genuine retail profitability, or of a cycle that leads the next set of stock write-downs.

Whatever interpretation is given to more for their second tranche.

est performance, the truth is that Woolworth's management is now competing on level terms with Disons for a mandate to try something

Leaving Woolworth alone is certainly an option, as it would not have been five years ago. Operating with much improved sales information, the management has now exproducing the worst returns. But its chosen specialisms still include the sweets and soft toys that look to outsiders like items that must for ever struggle to earn their keep in prime retail space. Dixons, for its part, has left its merchandising plans for Woolworth vaguer than is comfortable; the Dixons method is all, it seems. But certainly not at

LIG/Wedgwood

If as shrewd an investment manager as Mercury Warburg considers a bid is reasonable, can other institutions refuse? London International Group's purchase of a 9.9 per cent stake in Wedgwood from Warburg, and Warburg's acceptance for another 14.9 per cent in the absence of another offer could prove more imanother offer could prove more important to the success of the £149m bid than all the talk of integration benefits. The offer does not look over generous, though At LIG's 219p close, down 2p yesterday, it is worth 328½p per Wedgwood share, giving a multiple around 15 on expected pre-tax profits of £16.5m for the year just ended. If completed at that price, the deal should add in that price the deal should add to LIG's earnings per share in year one, despite the over 50 per cent increase in share capital involved. Further benefits will depend on Mr Alan Waltz's abilities to extract

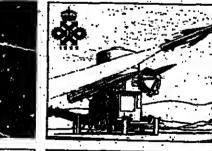
more from Wedgwood when com-bined with LIG's Royal Worcester Spot de business. As the larger of the two, with established operations in North America, Australia and Japan, Wedgwood probably has more to offer RWS than vice versa. What Mr Woltz plans to add to Wedgwood are the marketing skills he has developed for other consum er branded products, which though very different to Wedgwood's seem to be working for RWS, in the 16 months since it was taken over, plus improvements In production and savings on the sale With Wedgwood shares closing up from each product rationalisation to 25p at 368p the market is saying the next set of stock write-downs.

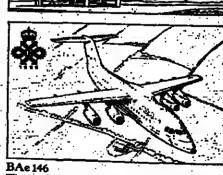
. 1995 s

BRITISH 4EROSPACE wins four Queen's Awards

BAe was prime contractor for this ambitious and successful space project. Giotto intercepted Halley's Comet at a distance of only

500 kilometres, and relayed to earth data of immense scientific significance.





Currently on order or in service in 13 countries.

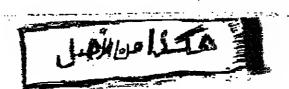
over £1,400 million, including £450 million in

Rapier has already notched up total sales of

Commuter and business turboprop, 117 of The world's quietest jetliner, with orders and which have been sold so far. Doing well in the options covering around 90 aircraft to date. The competitive US market, where it is playing an BAe 146 has been sold to 13 operators in 6 countries including The Queen's Flight.



British Aerospace plc, 100 Pall Mall, London SW1Y 5HR.





SECTION II - COMPANIES AND MARKETS

FINANCIAL TIMES

Tuesday April 29 1986



Arco reports 18% fall in first quarter income

BY WILLIAM HALL IN NEW YORK

ATLANTIC RICHFIELD (Arco), the achieved from refining and market- ral gas liquids rose by 13,000 barrels Los Angeles-based oil group which has the largest US oil reserves of any leading oil company, reported an 18 per cent drop in first quarter net income to \$268m and warned that second quarter earnings could deteriorate "significantly" if prices remain at current levels. . .

The group's earnings per share rose by 7 per cent to \$1.58, reflecting the impact of the stock repur-chase programme undertaken in 1985 and temporarily suspended in January 1986. During the first quarter of 1966, the group had an average of 1822m shares outstanding compared with 238.5m a year ago.

Mr Lodwrick M. Cook, Atlantic Richfield's chief executive, said: "Strong performances were

AEG offers to

buy remainder

of Modcomp

By Jonathan Carr in Frankfurt

AEG also hopes to boost its posi-

that AEG is again beginning to expand in selected fields, following its

return to profit and recent takeover

by the Daimler-Benz concern.

Go-ahead for

Sea-Land bid

SEA-LAND, the US shipping group, has approved a merger agreement providing for the acquisition of the

dinated notes, due 1998.

cash per sha

ing from last year's restricturing. These factors partially offset the effect of the decline in crude oil and natural gas prices during the first quarter

Arco's average price for domestic Arco's average price for domestic crude oil fell to \$14.14 per. barrel in the first quarter from \$20.36 in the same period last year. This was the biggest factor in the 42 per cent drop in after-tax earnings to \$198m from the group's worldwide oil and gas operations. Reflecting last year's restructuring, worldwide exploration expenses fell 46 per cent to \$137m.

Arco's production of oil and natu- year ago.

ing and integrated petroleum pro-cessing operations, along with sig-rels a day to an average of 738,400 bar-rels a day in the first quarter, prinificantly lower exploration ex-panses and operating costs result in net production from Alaska's Prudhoe Bay and Kuparuk River

> downstream refining and marketing operations increased by 82 per cent to \$89m in the first quarter and Lyondell Petrochemical, an inte-grated petroleum processing opera-tion, contributed \$32m to after-tax earnings in the first quarter com-pared with a \$26m loss last year.

Arco's annual return on stockholders equity during the first quarter based on net income, was 21.1 per cent, compared with 14.3 per cent a

Morgan Stanley lifts earnings to \$58m

BY TERRY DODSWORTH IN NEW YORK

AEG, the West German electricals concern, aims to take over Modular York investment bank which re-cently went public with a stock of-Computer Systems (Modeomp). a US company specialising in computers to control process manufacturfering of just over 20 per cent, achieved a substantial earnings ing plants, in a deal which could cost \$42m. gain in the first quarter of the year, helped by a big jump in trading markets.

Helped AEG, which has had a 19 per cent

stake in the company since 1980, is making a cash offer of \$9 a share Net income soured to \$58m, or \$2.92 a share, from \$7.8m, or 89 for the remaining stock. Further de cents a share, in the same period of tails will be announced later this last year. More detailed profits fig-ures showed that the group experi-Modcomp, based in Fort Lauder enced a steady rise in profits during the course of last year, with earndale. Florida, had sales revenue last year of about \$70m and 850 employings jumping to \$28.6m in the secees. With the takeover AEG aims to ond quarter, dipping slightly to \$25.8m in the third quarter, and strengthen its position in the fast-expanding field of factory automaforging ahead again to \$33.7m in the final three months.

Net revenues - the group's gross

AEG also hopes to boost its position more generally in the US, where its sales last year totalled about DM 400m (\$183.5m) by using the Modeothur alles between its help distribute AEG products from the information technology and ether sectors.

The new move further underlines that AEG is again beginning to extinct AEG is again beginning to extinct the end of March. Its shares immediately immed to a large premium diately jumped to a large premium over the issue price of \$56% - itself an increase on initial estimates of \$46°a share - and yesterday were trading 'Trading' ' trading '\$76% in the immediate ing capabilities we have built up in

The biggest contribution to the and Tokyo."

MORGAN STANLEY, the New increase in Morgan's earnings York investment bank which reequity securities. Wall Street has enjoyed a bonanza in this field in sistent buoyancy of the capital

> Helped also by the surge in underwriting which boosts volume for the investment banks distributing the securities, Morgan's revenues from principal transactions leapt to \$70.8m from \$39.5m a year ago.

Investment banking also generated greatly increased revenues, up to \$115.3m from \$73.1m, despite the slowdown in mergers and acquisi-tion activity in the US. Commission revenue rose to \$50m from \$39.4m, and asset management revenues to \$11.1m from \$6.6m.

Total canital funds at the end of the quarter, including \$277.7m realised from the stock offering, came to \$175m, placing Morgan within the top six or seven Wall Street securities houses.

Mr S. Parker Gibert, chairman, and Mr Richard Fisher, president, said earnings in the quarter had wake of the profits amouncement, recent years in New York, London

Kaufhof to lift payout

company by CSX, the rail group, in KAUFHOF, West Germany's seccash per share.
Sea-Land said it had 23,429,567 shares outstanding and 3,160,567 ond biggest retail group after Karnot least by boosting its services actual, proposes to raise its 1965 dividuals and expanding its specialist dend to DM 7 from DM 6.50 per DM supermarket subsidiaries such as shares issuable upon conversion of 56 share, after slightly increasing net profit to DM 53.7m (\$24.5m) from DM 52.5m a year earlier. its 11.25 per cent convertible subor-

The offer will be conditional an. among other things, the valid ander of at least 10,250,000 shares, subject to increase to 13,509;000 in certain circumstances, and on the informal approval by the Interstate 8.57bn.

supermarkat subsidiaries such as

The group plans to raise its in-vestment this year by almost 50 per cent to DM 200m, of which almost The group gave no details of its sales but, in line with other major retail groups, these are expected to have stagnated last year after a cut to DM 8.4bn in 1984 from DM sales will go to the subsidiaries. Kaufhol should also gain from the expected increase in consumer demand this year, buoyed by low inflation tax cuts and the fall in the flation, tax cuts and the fall in the

Ink follows overseas strategy

Dainippon

DAINIPPON INK and Chemicals. the Japanese company seeking to acquire Sun Chemical of the US for up to \$800m, has a distinctive 10ear history of expansion through takeovers abroad

The strategy is explained by Mr Shigekuni Kawamura, its president "In achieving an expanded role for a chemical company such as ours which has lagged behind in diversifying our business, the most effective route to choose is corpo-rate acquisition and capital participation in other companies.*
This was set cautiously in train in

1976 when the company paid Yl fbn (\$10.7m) for Kohl and Madden, a maker of printing inks with outlets in the US and Canada.

From a number of modest-sized agreed deals since then, one stands out the 1979 contest for Polychrome, a US ink and printing plate maker, in which Dainippon Ink won a bitter bid fight against Rhone-Poulenc, the French chemicals

piant.
Dainippon paid some Y17on for Polychrome, gaining along the way an experience in takeover tactics to which few Japanese companies can lay claim.

This asset could be of substantial value in the coming weeks follow-ing the hostile reaction to its hid approach by Mr Norman Alexander, Sun's chairman, who last week acted to boost his personal holding to about 44.6 per cent – a purchase which has led to inquiries by the Securities and Exchange Commission.

Dainippon proposed to negotiate with Sun to acquire either its gra-phic arts materials group for \$425m in cash, or alternatively the whole company for \$75 a share cash, later reised to \$77.

According to Deinippon, it was Mr Alexander who last June first raised the possibility of selling it the graphic arts division, which forms the bulk of Sun's activities. However, late last Thursday, in an apparent attempt to increase the pressure on Sun, a Damippon sub-sidiary notified Sun that it intended to raise its stake to more than 50 per cent by buying shares to add to those held already. Sun said it had hired investment banking firms to evaluate Dainippon's original offer

vice president, describes Sun Chemical as a long cherished hope for the company, which since October 1984 has held a 3.7 per cent stake in its target.
He says that funding is already in

place from four Japanese banks -Fujli-Mitsuhishi, Mitsui and Long: Term Credit Bank of Japan.

Dainippon shares have reenthusiastically since news of the proposed bid emerged in New York eight days ago. They closed on the Tokyo Stock Exchange yesterday at Y460, at a year's high, buoyed Y45 over the pe-

employees and consolidated annual same time diversified domestically

NETHERLANDS ATTRACTS NEW MAKERS OF INTEGRATED CIRCUITS

Dutch launch microchip group

AN AMBITIOUS Dutch microchip a recently founded, pan European Jose, California, while production would be at three sites still to be company is being launched in the highly promising European custom-designed chip market. It is Advanced Custom Electronics, headed dam is confident his smaller compaby Mr Pieter Langendam, a micro-chip expert formerly with Philips.

He is forming Advanced Custom aimed to achieve commer

Electronics with the aim of making high-quality custom chips coupled with the intensive customer service. Custom chips are integrated cir-cuits (IC) designed for a specific ap-plication, often for an individual company, and produced faster and in lower volume than commodity

Mr Langendam has garnered \$10m of Dutch financial backing in five weeks, including venture capital and a government subsidy. He is still negotiating for a further 56m and plans to begin operations in June with headquarters in Nijmegen, fixed assets of F1 20m (56.1m) and 40 employees.

Advanced Custom Electronics aimed to achieve commercial success. Mr Langendam said, while ES2 was a social experiment aimed at proving that European compa-nies could join forces to compete against the US and Japan. He said his company would have a competitive edge hy using superior US de-sign technology through an agree-ment with Silicon Compilers, compared with ES2's link with Lattice Logic of Edinburgh. Advanced Cus-tom Electronics would also produce

gy combined with Japanese quality and European integrity. Mr Lang-The keenest competition for Mr Langendam is likely to come from European Silicon Structures (ES2). endam said. Computer aided design of the chips would initially take place at Silicon Compilers of San chosen in the US, Japan and Eu-

The complicated custom fCs are cheaper, more energy efficient and smaller than commodity chips be-cause one custom IC is designed to do the work of 30 or more highvolume chips. The Dutch company will use CMos logic in very large-scale integration and ultra large-scale integration (Ulsi), which reiers to the complexity of the chip. Advanced Custom Electronics is

among the first of a wave of small, innovative IC companies which have set up shop in the Netherlands or are considering doing so. They have been attracted by the exper-tise surrounding Philips and ample in larger volumes and more cheaply by renting rather than building manufacturing facilities. venture capital. Sagantec is a semi-We will have American technolo-

ture might be in the offing, Mr Langendam said.

Sierra Semiconductor, a custom courted by Dutch Government lead ers and venture capitalists to found a facility in the province of North Brabant, according to industry analysts. Sierra Semiconductors was launched five years ago with 58m of equity and has sales of between \$5m and \$10m a year, according to Mr Jim Beveridge of Dataquest, the semiconductor industry analyst. The company has a technology ex-change with National Semiconduc-

Gate Array, another Californian chip company, is also being wooed with venture capital from the province of Overijssel and possibly from the central government. Gate Array specialises in very fast production conductor company which was also of semiconductor components. Still founded by former Philips employees. Silicon compilers and Adistrict that of Cirrus Logic, an American vanced Custom Electronics were silicon design laboratory, which planning to build a research centre may set up facilities in the Netherlands and a joint ven-

Moulinex in FFr 34m loss as sales decline

BY DAVID MARSH IN PARIS

MOULINEX, the French kitchen equipment manufacturer, reg. even worse but for a tax carry-back istered a FFr 34.9m (S5m) consoli of FFr 32.6m which profited last dated loss for 1985 after a FFr 54.3m profit in 1984.

The company, which last year linked with Scovill of the US in an effort to improve its performance on the American market, blamed the loss on a sharp drop in turnover below forecast levels. Last year's group sales rose only moderately to FFr 3.37bn from FFr 3.33bn.

Moulinex said European activities held up satisfactorily but it faced difficulties in areas such as the

The group was also forced to de-

Last year's result would have been year's accounts.

The company, which is passing dividend payment for 1985, said it was facing tough competition on markets for microwave ovens which make up 15 per cent of its sales and where turnover growth had been below objectives last year. Productivity improvements in the

past few years had not been matched by a corresponding in-crease in volume sales. Moulinex, which is still presided over by its 86-year-old founder, Mr Jean Mantelet, said it was taking steps to adapt production capacity and

Low product prices trigger loss at Elkem

BY FAY GJESTER IN OSLO

ELKEM, the Norwegian metals, and inventories increased, the commining and manufacturing group, reports a loss before extraordinary items of NKr 36m (\$5.2m) in the first quarter of 1986 compared with a profit of NKr 148m in the same period last year.

Extraordinary income of NKr 21m from the sale of property and other items reduced the pre-tax loss to NKr 15m, compared with a pretax profit a year earlier of NKr 154m.

Group turpover fell to NKr 1.86bn from NKr 2.4bn.

The company attributed the poor result chiefly to low prices for its

pany said. However, the outlook for some

products had shown signs of slight improvement as the quarter drew Contributing to a loss the acquisi-

tion by Elkem of a ferro-silicone plant formerly owned by Orkia Me-tal. That plant, Thamshavn Verk, depends on "spot power for much of its energy needs. The high price of this kind of power during the quar-ter, together with low capacity utilisation, caused the plant to operate at a substantial loss." Elkem's purchase of Orkia Metal

main products during the period. and 52 per cent of the shares in an-Although demand continued rea-other company, Bjolvefossen, is sonably good," surplus world pro-duction last year led to over-supply, proving the competitive position of with prices under constant pressure Norway's ferro-alloy industry.



with prices under constant pressure. Norway's ferro-alloy in **BNP Group Results** for 1985

Net profit increases by 19.6%

The Board of Directors of Banque Nationale de Paris, which met on 24th April, 1986, under the Chairmanship of M. René Thomas, has finalised the accounts of BNP for the year ending 31st December, 1985.

Summary of Results

Consolidated Statement of Income

Net revenue	27,597	+ 4.9
Profit before tax and provisions	8,778	+ 7.8
Provision for doubtful debts		
and general risks	4,876	 5.2
Net profit	2,114	+19.6
Attributable to Group	1,988	+21.6
Consolidated Balance Sheet		
	FF million	% change
Total assets	930,619	— 2.0
Customer deposits	355,102	+ 4.8

FF million

389,084

18,450

% change

-4.0

+14.3

Banking is our Business

Share capital and reserves

(after envisaged appropriations)

Banque Nationale de Paris

BNP Group Head Office 16 Boulevard des Italiens, 75009 Paris

Loans to customers

Telephone: (010 331) 42 44 45 46, Telex: 280605

Commerce Commission of an inter-im voting trust arrangement. Kanishos has been seeking to US ACQUISITION ADDS AN INTERNATIONAL EDGE TO A FAST-GROWING CANADIAN BANK

Chemical change at Royal Trust

BY BERNARD SIMON IN TORONTO

da'a six leading banks as a significant player in international financial markets with its planned acquisition of Dow Financial Services, the banking, investment management and securities arm of Dow

RT's president, Mr Michael ornelissen, said the 168m purchase, still subject to regulatory approvals, "achieves in one tell swoop, what we've been planning for a year and what would otherwise have taken 10 years to put in place.

We serve a specialised niche market for personal and corporate clients. The business that Dow does ties in exactly with that market

RTS international operations centre on trust and banking services in Britain and the Channel Islands. The addition of Dow will not only expand the Canadian company's presence in Britain through the merchant bank Arouthnot Latham and stockbrokers Savor Milln but also give it a firm footbold in Swiss banking (through Dow Banking Corp) and in leasing, factoring and other financial services

Closer to home; RT will add another to noing, he will add another leg to its rapidly diversifying Canadian base through Dow Banking's 10 per cent interest in Quebec's second largest securities form, Geoffrion Leclerc. The Swiss bank

ROYAL TRUST is set to join Cana- has a substantial Canadian

Dow's international network will help RT satisfy a growing demand among Canadian institutions for international investment manage ment services. RT uses outside advisers such as Barings, the London merchant bank, to help manage off-shore funds for Canadian

Zurich-based Dow Banking Corp will give RT extra muscle in its Swiss franc loan syndication and underwriting business with Canadian and Japanese companies.

RT emerged from a fierce takeover battla in 1980 as part of the in-dustrial, mining and financial ser-vices interests of the Toronto branch of the Brontman family. best known for its links to the Sea-gram liquor empire. The Bronf-mans control Trikon Financial, RT's

Olympia and York, the real estate and resources group which gained control of Hiram Walker Resources last week, has a minority interest in Trilon, Since the takeover, RT has been transformed from a moribund mortgage and savings company into one of Canada's fastest growing, most diverse and most profitable financial institutions.

the past year to CS60.1bn (\$48.2bn) aims to expand its corporate loan new share issues to other company March 31. By contrast, Canadian portfolic from CS760m to CS2bn. on March 31. By contrast, Canadian portfolio from CS780m to CSZbn.

banks achieved asset growth of less than 10 per cent. RT's first-quarter return on balance sheet assets was 0.11 per cent, double the average for the banks.

RT will pay a premium of about 40 per cent on the book value of Dow's assets and is likely to inject around \$100m into the company. Al-though the acquisition is thus likely to push up RT's debt, Mr Cornelissen is not concerned.

RT has a double-A credit rating.
Its ratio of equity to assets was 8.4
per cent at the end of last year,
making it one of Canada's most conservatively capitalised financial houses. Unlike the banks, RT has no exposure to troubled Third World debtors. Dow Chemical will retain responsibility for \$200m of its financial units high risk loans, about half of them to South Africa.

In the company of other Canadian trusts, RT has diversified rapidly in recent years, taking advantage of a more flexible regulatory frame-work than that which applies to the

banks but has the advantage of be-cern over interlocking sharehold-ing allowed to supply fiduciary ser-ings has been heightened in the vices such as trust, estate and port-folio management, and mutual two Brontman-controlled compa-RT's assets under administration in Royal LePage, Canada's biggest handsome cor have jumped by more than a fifth in supplier of real estate services. It their associates for distributing

strengthened its links with other Bronfman-controlled companies as part of a plan to expose cutomers to moments, in other words, situations where one transaction gives sell a wide variety of services to a

A bome buyer using a Royal Le-Page real estate agent, for instance, may also be persuaded to take a Royal Trust mortgage, to invest sur-plus funds in one of the company's many savings accounts and to huy insurance through other Trilon sub sidiaries, such as London Life and Wellington Insurance.

computer systems with those of its sister companies, Last July it raised its stake in Canada Systems Group the country's largest supplier of fiper cent to 40 per cent.

One brake on RT's growth may banks.

HT provides many retail services the power of emerging financial in direct competition with the conglomerates such as Trilon. Confunds. RT has a 51 per cent interest nies, including Trilon, have paid

THE MORGAN STANLEY

LEVERAGED CAPITAL FUND

\$450,200,000

Committed Capital

The undersigned are pleased to announce

the final closing of three new leveraged investment funds, collectively known as the Morgan Stanley Leveraged Capital Fund (the "Fund"). The Fund will

organize and invest in traditional leveraged buyouts, private placements of debt and debt with equity kickers. private and public company recapitalizations. and other forms of equity

and mezanine financing.

MORGAN STANLEY & CO.

Incorporated

CIGNA Investments, Inc. Joint Venture General Partners

THE MORGAN STANLEY

LEVERAGED CAPITAL FUND

has committed to or invested in the following leveraged buyout and recapitalization transactions

Adams II (Adams Communications)

Emmis Broadcasting

Fine Products

Reheis Chemical

RX Acquisition Corp.

CW Acquisition Corp.

MORGAN STANLEY & CO.

CIGNA Investments, Inc.

Joint Venture General Partners

Crédit Commercial de France

London Branch

£25 million CD Issuance Facility

arranged by

BARINGS

Baring Brothers & Co., Limited

Burnham Broadcasting

INTL. COMPANIES & FINANCE

Ajokki rescue sparks row in Finland

BY OLLI VIRTANEN IN HELSINKI

THE RESCUE of Ajokki, Finland's 150m (\$30m), regards this as inadestate-owned bus chassis manufacturer, has caused a row between the Finnish Government and Union Bank of Finland, the company's main financiers.

The Finnish Government has leave results for the financial year ending March 31 showed a loss of FM 23m. The company's prob-

The Finnish Government has agreed to provide a FM 30m (56m) package to resuscitate the country's leading chassis maker, but Union Bank of Finland, which holds the bulk of its liabilities worth FM

lems mainly stem from overcapaci-ty which was made worse when it built a new factory. The Government's rescue package includes FM 12m in cash for paying immediate bills. In addition,

The Government has offered the

company for sale for the value of the nominal share capital, but there companies are no takers for the debt burden. According to Union Bank of Fin-land, the measures are not enough.

The bank demands that the state If Ajokki becomes an example of

raises the share capital by FM 20m the opposite, banks will have to ask instead of lowering it. Mr Mika Tiifor similar collaterals to those they vola, the bank's chairman and chief ask from any private company.

Thermo-Disc to expand Kone buys into Biddle

HERMO-DISC, a subsidiary of the US electrical manufacturer Emerson Electric, is to undertake an IC5m (S6.85m) expansion of its plant in Limerick, Co. Clare, Ireland, creating 385 jobs, the Irish Govern-

The project, to be backed by Ire-land's Industrial Development Authority (IDA), will be phased over five years and will eventually make the Limerick plant Thermo-Disc's gineering centre for Europe.

BY OUR HELSINKI CORRESPONDENT

KONE, the Finnish lift manufactur- repurchase the heating and ventilaer, has acquired 55 per cent of the tion business from Kone, leaving shares in Biddle Holdings, a British the Finnish company with the net group which owns several lift, heating and verifiation companies.

The stake was purchased from the controlling family, which will (\$15.4m) last year.

All of these Securities have been sold. This announcement appears as a

\$200,000,000

BP North America Inc.

91/4% Guaranteed Sinking Fund Debentures Due 2016

Payment of the principal of, premium, if any, and interest on the Debentures is guaranteed by

The British Petroleum Company p.l.c.

Interest payable April 15 and October 15

MORGAN STANLEY & CO.

GOLDMAN, SACHS & CO. SALOMON BROTHERS INC

MERRILL LYNCH CAPITAL MARKETS SHEARSON LEHMAN BROTHERS INC.

BEAR, STEARNS & CO. INC. DEUTSCHE BANK CAPITAL

ALEX. BROWN & SONS

DAIWA SECURITIES AMERICA INC. DONALDSON, LUFKIN & JENRETTE

DREXEL BURNHAM LAMBERT LAZARD FRERES & CO.

Securities Corporation KIDDER, PEABODY & CO. E. F. HUTTON & COMPANY INC. THE NIKKO SECURITIES CO.

NOMURA SECURITIES INTERNATIONAL, INC.

PRUDENTIAL-BACHE SMITH BARNEY, HARRIS UPHAM & CO.

L. F. ROTHSCHILD, UNTERBERG, TOWBIN, INC.

SWISS BANK CORPORATION INTERNATIONAL SECURITIES INC.

UBS SECURITIES INC.

WERTHEIM & CO., INC. DEAN WITTER REYNOLDS INC. YAMAICHI INTERNATIONAL (AMERICA), INC.

April 18, 1986

LANDSVIRKJUN US\$ 60,000,000 Floating Rate Notes

Due 2000 In accordance with the provisions of the Notes, notice is hereby given that the Rate of interest for the period 30th April, 1986 to 30th October, 1986 is 7½°. p.a. Coupon amounts will be US\$359.01 for the US\$10.000 denomination and US\$8,975.26 for the US\$250,000 denomination, and will be payable on 30th October, 1986 against surrender of Coupon No. 2.

Manufacturers Hanover Limited Agent Bank

Foreign Exchange

The Financial Times. proposes to publish a Survey on the above subject on

TUESDAY MAY 27 1986 For details of

advertising rates, please contact: NIGEL PULLMAN Bracken House

10 Cannon Street London EC4P 4BY Tel: 01-248 8000 Ext 4063

Publication date is subject to change at the discretion of the Editor

NOTICE OF REDEMPTION

PAINEWEBBER

To the Holders of

ENTE NAZIONALE IDROCARBURI

E. N. I.

(National Hydrocarbons Authority)

64% Sinking Fund Debentures due June 1, 1987 NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Sinking Fund for the ebentures of the above-described issue, Morgan Guaranty Trust Company of New York, as iscal Agent, has selected by lot for redemption on June 1, 1986 at the principal amount acree of \$625,000 principal amount of said Debentures, as follows:

ding Debentures of U.S. \$1,000 Each of Prefix "M" Bearing Serial Numbers Ending in the Following Two Digits: 00 04 10 1t 14

Also Debentures of U.S. \$1,000 Each of Profix "M" Bearing the Following Serial Numbers: 2591 349t 389t 539t 6791 7591 8891 9091 10591 1529t 19591 21891 2391 3791 4391 6291 7191 8191 869t 9391 1159t 19091 21191 24391

2591 3491 3491 3891 5391 6291 7191 8191 8691 9391 10561 15291 1990 24391

On June 1, 1986, there will become and he due and payable upon each Debenture the principal amount thereof, in such coin or currency of the United States of America as on said date is legal tender for the payment therein of public and private debts, at the option of the holder, either (a) at the corporate trust office of Morgan Gauranty Trust Company of New York, 13th Floor, 30 West Broadway, New York, N.Y. 10015, or (b) subject to any laws and regulations epplicable hereto with respect to the payment, currency of payment or otherwise in the country of any of the following offices, at the principal office of Banca Nazionale del Lavoro in Rome or the principal office of Banca Commerciale Italians in Milan or the main offices of Morgan Guaranty Trust Company of New York io London, Brussels; Paris or Frankfurt or the main office of Algemene Bank Nederland N.V. in Amsterdam or the main office of Krediethank S.A. Luxembourgeoise in Luxembourgeville. Peyments et the office of any paying agent outside of the United States will be made by check drawn on; or transfer to a United States dollar account with, a bank in the Borough of Manhattan City and State of New York. Any payment made by transfer to an account maintained by the payee with a bank in the United States may be subject to reporting to the United States Internal Revenue Service (IRS) and to backup withholding at a rate of 20% if payees not recognized as exempt recipients fail to provide the paying agent with an executed IRS Form W-9, certifying under penalties of perjury that the payee is not a United States person or an executed IRS Form W-9, certifying under penalties of perjury the payee's taxpayer identification number (employer identification number or social security number, as appropriate). Those holders who are required to provide their correct taxpayer identification number on Internal Revenue Service Form W-9 and who fail to de so may also be subject to a penalty of \$50. Pleas

ENTE NAZIONALE IDROCARBURI By: MORGAN CUARANTY TRUST COMPANY

April 29, 1986

Baring Brothers & Co., Limited Telephone: 01-283 8833

Crédit Commercial de France Telephone: 01-623 1131

February 1986

INTERNATIONAL COMPANIES and FINANCE

Deutsche Bank in biggest fixed-rate DM issue yet

The largest ever French franc Eurobond was launched for Compagnie Generale d'Electricite, the French statefrance compagnie
for Compagnie
for Compagnie

d'Electricite, the French stateowned electrical engineering
and communications concern.
The FFr Ibn seven-year bond
pays a coupon of 7½ per cent
and is priced at par. Leadamonager Credit Commercial de
France reported fair demand

France reported fair demand

France reported fair demand

The Sekisni Chemical's equity ye
warrants issue, announced last
week, was priced to give a m
and is priced at par. Leadcoupon of 2½ per cent. The leader of the compagnia of the

market did not suffer price folls on the same scale as ether sectors last week, and is par-tially benefiting from investors

switching ont ef dollar instruments, bankers say. The dollar Eurebend market saw listless trading yesterday, despite the improvement in US credit markets on the back of a strengthened dellar. Traders say many market participants ment. The NZ\$100m numinal are reinctant te move paper value, seven-year bond was

- 1 T

an indicated 3½ per. cent. The exercise price on the warrants was set at Y882, a 2½ per cent. Unusually in this market, the premium over yesterday's bond has a 10-year bullet maturity. A 6½ per cent coupon exchange rate was set at Y168.45. Nippon Synthetic Chemical's equity warrants bond was increased to \$40m from \$30m\$. The deal will be priced nn Wednesday.

The first ever zero-coupon New Zealand dollar bond was launched for Teurist Hotel Corporation, which is owned by the New Zealand Govern-

priced nn Wednesday.

The first ever zero-coupon

New Zealand dollar bond was
launched for Teurist Hotel

Corporation, which is owned

by the New Zealand Govern-

DEUTSCHE BANK FINANCE yesterdoy issued a DM 750m Eurobond with Deutsche Bank as sole lead manager. The 10-year bond, the largest straight fixed-rate DM Eurobond yet, pays a ceupon of 5½ per cent and is priced at par.

Trading in the DMark sector was thin, while prices of recent issues slipped a little. Dow Chemical's DM 300m bond, was queted at a bid price of 98.38, against a par issue price of 18.91 min the market ahead of today's announcement of the DM May Eurobond calendar, which bankers expect to be substantial, though a large figure is not expected to disturb the market greatly; in recent menths not all the scheduled deols have surfaced. Of e time-tebled DM 95m fer April, only DM 4.71bn has been issued so for, including Deutsche Bank's bend.

The largest ever French

exercisable at a premium te the financial year 1985. The the clesing price, and two at the closing price, of BSTs of 5% per cent end was priced shares on the day of pricing.

The bond was quanted et 104 cell option from 1996 at a price of 102 and thereafter every five years at 101.

In the guilder market, Alge-mene Bank Netherland launched a FI 200m bond for Asian Deve lepment Bank, which has been

per cent coupon. The issue is the bank's first in the Shogun

FT INTERNATIONAL BOND SERVICE

isted are the 200 latest international bonds for w	hich there is an adequate secondary market. Closing prices on April 28
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cter & Gamble 6 81 25 1002 1012 -02 +04 5.77 Average price changes On day 6 on week +05	or in part in any form not permitted without written consent. Data supplied by CATASTREAM international.

The prices over the past week were supplied by: Kredistbank NV; Credit Commorcial de France; Credit Lyonnais; Commerchank GC; Oduscake Benk AG; West-deutsche Landesbank Clocontralo; Banque Genarato du Luxembourg SA: Banque, Internationale Luxembourg: redictbank Luxembourg: Algemans Bank Nederland NV; Pierson, Heldring and Picraon; Credit Suisze/Swiss Credit: Bank: Akroyd and Smithers; Bank of Tokyo International: Chemical Bank international; Chase Manhattan: Citigorp International Bank; Credit Commorcial de Franco

(Securities) London; Daiwa Europa NV: EBC Amro Bank: First Chicago: Doldman Sechs international Corporation: Hembros Bank: IBJ International: Kidder Pasbody International: ITCB International: Mertill Lynch: Morgan Stanley International: Orlon Royel Bank: Robert Fleming and Co.; Samuel Montagu and Co.; Sociate General Strausa Turnbull; Sumitamo Financo International; S. G. Watburg and Co.; Swies Bank Corporation International; Wood Gundy.

Bid finance for Allied Lyons

By Peter Montagnon, Euromarkets Correspondent

ALLED-LYONS, the UK-based food and brewery con-cern, is raising \$400m through a one-year loan facility in the Euromarkets designed partly te finance its bid for the liquor and brewery interests of Canada's Hiram Walker.

Under the deal, which is being put together by Saring Brothers and Shearson Lehman International, participants will provide a re-velving credit to back up the sale of short-term Euronotes and bank advances through e tender usuel of hidden tender panel of bidders.

The credit carries an annual facility fee of it per cent and the maximum margin en borrowings has been set at 15 basis points over the London interbank offered rate for Eurocurrency de-posits (Libor). It can be extended for a further twe years at the borrower's

Allied is looking at a range of epitons to fund the rest of the £1.25bn bld price. This is the first piece of financing fall in place.

Warner Lambert sells Imed

THE BOARD of Warner-Lambert, the US bealth care group, has approved the sale of its Imed intravenous in-fusion systems unit to the Henley Group, for \$163.5m in cash. A definitive agreement has been signed by both communica.

The company said the sale completes the divestiture of its health technologies busi-

Mr Joseph D. Williams, Warner-Lambert chairman and chief executive, said the transaction was highly favourable and noted that the sales of the health technologies businesses had been completed well within the financial provision extended. financial provision estab-

Hneley has ben formed as an independent company to own and operate a number of businesses being divested by Alled-Signal, AP-DJ

N. AMERICAN QUARTERLIES

CHAMPION SPARK PLUT

?	First querter	3	1305	ł
8	Revenue Net profits Net per shere	100,000	9.5m	ı
5	Net per share		0.25	ı
	COMPUTERVISION CAE/CAM equipment			
8	First quester	1986	1985	
2	Revenue	112.Bm	106.9m	
	Net loss	6.24	e. 66	
?	Computer services	STEMS"		ı
,			7986	ł
	First quarter Revenue Not profits Not per share "Subsidiary of Gen FRANK B. HALL	997.0m	689.1m	
i	Not profits	55.6m	38.0m	
J	Subsidiary of Gen	arat Mos	ons.	
0				Ì
	First quarter Revanue Net profits Nat per share NGERSOLL-RAND Industrial equipment	1906	1985	1
	Revanue "	119,1m	102.5m	1
	Net per share	0.1m e.47	2.0m e.1e	1
i	INGERSOLL-RAND			l
1				
,]	First quarter Revenue Net profits Net per state KRLOGG	***	\$	j
١Į	Net profits	15.9m	14.20	l
ı	KELLOGG	0.14	0.00	l
	Breaklast cersals			ı
,	-	1560	1965	H
;	Revenus Net portas Net per share KNIGHT-RIDDER NEWS	798.0m	703.5m	
1	Net per abere	0.52	e.58	
٠Į				
	First quarter Revenue Net profits Net per share	1365	1985	
	Harana	447.3m	421.5m	
ı	Net per share	0.46	e.44	
ij	MAYTAG			
	MAYTAG Washing mechines First quarter	1989	1985	
Į	First quarter	196 8m	177.7m	
il	Nat profits	22.7m 0.84	16 3m	
1	First quarter figwenue Net profits Net per ghare SeCA Films, leisure			
(- Films, lassure	1986	1965	
	First quarter	5 513.6m	437.5m	
	Net profits	30 9m	18.4m e.25	
1	First quarter First quarter Revenue Nat profits Net per abers Metal producer Metal producer			
		1004	1085	
1	First quarter Revenue Nat profits Not per share	5	170 5-	i
1	Nat profits	7.7m	3.4m	ij
}	LA RANGE		_ ``` }	J.
ł	Perent of Northwest Ale	1986	1985	İ
ł	First quarter	2		
I	Net orofits	115.4m	798,000	
ţ	Net per chars 1 Lots	10.75	0.04	
ĺ	SINGER Belance, serespece equ	inment.	- 1	1
-		1986	1985	
1	First quarter Revenue	\$ 572.5m	\$ 611.0m	
1	Nat profits	1).7m 0.56	*29.8m	
ı	*Includes \$16.9m at			
1				
	TEXTRON Assospace, electronics		[}
	TEXTRON Associated alectronics	1986 S	1965	
	TEXTRON Associated also a section ics First quarter Revenue	\$ 1.56n	S 1.3bn	
	TEXTRON Associates First quarter	\$	\$	
	TEXTRON Associates First quarter Revenue Net profils	5 1.55n 50.4m 1.23	1.3bn 60.4m	

Japanese shun foreign equities

BY OUR FUROMARKETS STAFF

drive to pile inm everseas been 8 major boost to the and inflationary downward securities markets, according to securitisation of international spiral on exchange markets if a new study by American capital markets generally, but Japanese investors lost confi-

secounted for only SIDn out of long-term capital nutflows of \$82.1bn. Bond purchases by con-trast tetalled \$53.5bn. Mr Richard O'Brien, the bank's senior economist, said

there was, hewever, little evidence of any shift inte equities by Japanese investors to improve the balance of their port-

Express Bank.

Fereign equity purchases by

Japanese investers last year

secounted for only Sibn are at the We're setting and the continuous according to the O'Brien.

"We're setting according to the Communication of t

JAPANESE INVESTORS here current account surplus in the O'Brien, the risk was that the almost ignored equities in their international bond markets has dollar could enter a self-fuelling

this carried significant risks, according to Mr O'Brien.

"We're getting another building of debt werld-wide. The fact that it is securitised may net make a great deal of difference in terms of any systematic problems." It would be berd for investors to walk away from holding of securitised debt without a majer sacrifice in terms of price.

Where US government bonds deneted in the US Treasury bond market.

The Japanese Government methods of recycling the country's balance of payments surplus to the rest of the world, such as stepped up trade finance, direct foreign investiment such as the world's largest creditor it should also play a bigger role in the US Treasury bond market.

The Japanese Government methods of recycling the country's balance of payments surplus to the rest of the world, such as stepped up trade finance, direct foreign investiment such as the world's largest creditor it should also play a bigger role in the US Treasury bond market.

Turkish bank note facility

By Our Euromarkets Correspondent

YAPI VE KREDI Bankasi, Turkey's second largest private sector bank, which plays a leading role in financing the country's fereign trade, has launched a \$30m note facility in the Furnasket the form in the Euromarket, the first such deal by a Turkish

borrower. Arranged by Merrill Lynch, the facility includes an option for the berrower te issue US bankers' acceptances. It is believed te be the first time that this mechanism has been Where US government bonds and Werld Bank, Mr O'Brien basis as part of a Euronete facility.

25th April, 1986

These securities have been sold outside the United States of America and Japan. This announceme appears as a matter of record only.

NEW ISSUE

ROHM

ROHM COMPANY LIMITED

U.S.\$80,000,000

3¾ per cent. Guaranteed Bonds due 1991

with

Warrants

to subscribe for shares of common stock of Rohm Company Limited. The Bonds will be unconditionally and irrevocably guaranteed by

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Algemene Bank Nederland N.V. Citicorp Investment Bank Limited

Crédit Lyonnais

Deutsche Bank Capital Markets Limited KOKUSAI Europe Limited

Salomon Brothers International Limited

J. Henry Schroder Wagg & Co. Limited Swiss Bank Corporation International Limited

Daiwa Bank (Capital Management) Limited

Goldman Sachs International Corp. Bayerische Vereinsbank Aktiengesellschaft Cosmo Securities Europe Limited

Credit Suisse First Boston Limited Fuji International Finance Limited

Mitsui Finance International Limited

Sanwa International Limited

Union Bank of Switzerland (Securities) Limited S. G. Warburg & Co. Ltd.

TO THE HOLDERS OF This anneuncement appears as a matter of recerd enly

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Alent and marketmaker **OSLO FINANS A.S**

NOTICE OF REDEMPTION

The Long-Term Credit Bank of Japan Finance N.V.

Guaranteed Floating Rate Notes Due 1992

NOTICE IS HEREBY GIVEN that, pursuant to the Fiscal Agency Agreement dated May 27, 1962 between The Long-Term Credit Bank of Jopan, Limited and Manufacturers Hanover Trust Company as Fiscal Agent, \$60,00,000 principal amount of the above described Notes are called for redemption at their principal amount on May 30, 1986. Interest on the Notes will cease to acque on May 30, 1986. The May 30, 1986 coupons should be detached and presented for payment in the usual manner. The Notes will carry an interest rate of \$7.000 per annum with a coupon amount of \$420.24.

The Notes may be presented for payment at the following addresses:

If By Hand Manufacturers Hanover
Trust Company
130 John Street
Corporate Trust Window
Ground Floor
New York, New York

Manufacturers Hanover Trust Company Coupon Paying Department P.O. Box 2662, GPO Station New York, New York 10116

Banque Internationale a Luxembourg S.A. 2 Boulevard Royal P.O. Box 2205

Credit Lyonnais 16 rue due Quatre Septembre 75002 Paris, France

The Long Term Credit Bank of Japan, Ltd. Suite 2201-2204, OCBC Centre Chulia Street, Singapore 0104

L-1022 Luxembourg

The Notes may also be surrend The Morgan Guaranty Trust Company of New York Avenue des Arts 35 1040 Brussels, Belgium Manufacturers Hanover Trust Company

Frankfurt am Main 1 West Germany

LTCB Asia Limited 26023 Admiralty Centre, Tower 1, 18 Harcourt Road Hong Kong The Long-Term Credit Bank of Japan, Ltd. 18 King William Street London EC4N 7BR Manufacturers Hanover Trust

7 Princes Street London EC2P 2LR, England Dated: April 29, 1986

LTCB (Schweiz) AG, Brandschenkestrasse 30 Postfach, 8039 Zürich,

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Government National Mortgage Association

\$395,358,352

Fannie Mae FHA/VA Mortgage-Backed Securities



Federal National Mortgage Association

We purchased these Fannie Mae Mortgage-Backed Securities from GNMA in an auction conducted by Fannie Mae on March 31, 1986

Bear, Stearns & Co. Inc.

New York, Atlanta /Boston/Chicago/Dallas/Los Angeles/San Francisco Amsterdam, Geneva, Hong Kong/London/Paris

April 1986



Saipem SpA

Tekfen Construction and Installation Co. Inc. Kutlutas Insaat ve Ticaret San Ltd. Sti.

have been awarded a contract by

BOTAS Boru Hatlari Ile Petrol Tasima A.S.

for the construction of the

Second Expansion Iraq-Turkey Crude Oil Pipeline

The undersigned acted as Financial Advisor to Saipem/Tekfen/Kutlutas in connection with their bid for the construction of this project, and arranged SACE/MEDIOCREDITO Italian Export

MANUFACTURERS HANOVER LIMITED

Italian Agent Bank, Manufacturers Hanover Trust Company, Via Brera 5, 20121 Milan.

Turkish Agent Bank,
Manufacturers Hanover Trust Company,
Polat Palas, Abdi Ipekci Caddesi,
Macka, Israfibri Macka, Istanbul.

December, 1985

NEW ISSUE

Wells Fargo

24th April, 1986

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(NTN Toyo Bearing Kabushiki Kaisha)

U.S.\$110,000,000

8 per cent. Guaranteed Bunds due 1996

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Issue Price: 1011/s per cent.

Nomura International Limited

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Bank of Tokyo International Limited Crédit Lyonnais

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Daiwa Europe Limited Dresdner Bank Aktienoeselischaft LTCB International Limited

Goldman Sachs International Corp. Mitsubishi Trust & Banking Corporation (Eurape) S.A. Salomon Brothers International Limited J. Henry Schroder Wagg & Co. Limited

Union Bank of Switzerland (Securities) Limited

Yamaichi International (Earope) Limited

& Company £60,000,000

Floating Rate Subordinated Notes due January 1994

In accordance with the visions of the Notes, notice is hereby given that for the is hereby given that for the Interest period 28th April, 1986 to 28th July, 1986 the Notes will carry an Interest Rate of 10%% per annum.

Interest payable on the relevant interest payment date 28th July, 1986 will amount to £132-45 per £5,000 Note.

Agent Bank: Morgan Guaranty Trust Company of New York London

THE BANKER JUNE ISSUE

Financial Futures and Options The JUNE issue of THE BANKER will be discussing the world's futures exchanges and world s futures exchanges and their instruments and contracts in very considerable detail. Banks end neer banks are the main pleyers in the finencial

fuzures arena. THE BANKER is the undisputed. reelly distinguished wholesale benking monthly journal for policy-meking manegement in commercial banking end treasury finance. These factors unite to offer an outstanding opportunity to sell your expertise and services to banks and financial institutions of all sizes in all

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INTL. COMPANIES & FINANCE

Bell clears last BHP legal hurdle

BELL RESOURCES, Mr Robert National Court's energy investment vehicle, has cleared the last legal hurdle prevent-ing it from despatching its takeover offer for Hill Proprietary

judge yesterday removed in-junctions which had restrained Bell from sending out its offer after dismissing BHP claims that the offer documents

Companies

were invalid and had been im-properly registered by the regu-

Securities Commission in order to update the April 7 docu-

ments for despatch. Bell originally announced its bid would be A\$7.70 a share cum dividend — the shares went ex dividend vesterday but said formal pitching of the offer at last week it would consider 50 per cent of each remaining raising the price.

The BHP share price remained firm to close at A\$7.32 yesterday, only 18 cents below the effective ex-dividend price proposed by Bell, but around A\$1 above the ruling price before Elders IXI earlier this month stormed into the market

The key element in BHP's claims against the Bell offer was the inclusion of a maximum acceptance condition of 260m shares, or 26 per cent of non-Bell shares, compared with the

However, Mr Justice Marks ruled that such conditions were valid under existing law and that proposed amendments

price and future prospects. A further drop in the domestic oil price, announced yeaterday, will have an impact on BHP's net profits, which already appear unlikely to meet the 1986-87 target of A\$980m (\$US\$715.7m).

based on 65 US cents to the Australian dollar against yeson an nil price of US\$18 a bar-rel, some US\$6 above the curproperly registered by the regulatory authorities.

A\$1 above the ruling price be acceptance conditions assumed rent level. These two discrepance latory authorities for Elders IXIL earlier this their legality under current law. The cies, if maintained would remove the ruling price be acceptance conditions assumed rent level. These two discrepance conditions assumed rent level. These two discrepance conditions assumed rent level. These two discrepance conditions assumed rent level the ruling price be acceptance conditions assumed rent level. These two discrepance conditions assumed rent level.

> **Straits Times** group midway

> profits decline

SINGAPORE PRESS Holdings

Setback at Matsushita Electric

INDUSTRIAL, the Japanese electronics glant, has suffered the first fall for 11 years in consolidated net profits and sales.

In the first quarter to Fehruary 20, net profits on a consolidated basis totalled Y51.5bn (\$306.3m), down 19.3 per cent. on sales of Y1.141.9bn.

The company blamed external economic factors, especially the rapid rise of the yen, for a significantly negative impact on

making shipping subsidiary total of 73 vessels. Marubeni with a net loss of Y20bn said it boped to maintain (\$119m). charter contracts for 18 of the

The move follows a similar vessels, including hulk carriers decision by Nissho Iwai, another rading company, to abandon the shipping business and sell Japanese tanker company which went bankrupt last August.

Reduced exports of colour television sets to China and depressed demand for electronic components such as semiconductors were also cited as elements in holding back sales.

Sales of video equipment declined 17.2 per cent and those of audio equipment fell 11.8 per cent, although bome electric appliances and energy and kitchen-related equipment depressed to China and In coping with the yen's further appreciation. Matsushita no every and transfer production of some lines to South-East Asiao countries.

For the year to November 20. Matsushita now forecasts thal its consolidated net profits will drop by between 25 per cent and

equipment posted mioor gains. Domestic sales suffered a marginal dip of 1.1 per cent, but overseas sales dropped 16 per cent. First-quarter earnings

Citing the continued depres of its

drop by between 25 per cent and

Meanwhile, Kanematsu Gosho. a third trading company, has denied reports that it is quisting

the shipping business. Even so,

Reduced exports of colour per share fell Y7.09 to Y28.28.

the media company which is one of the island state's hig-gest industrial groups, has suf-fered a sharp decline in interim profits despite higher turnover. Figures for the six months tn February showed pre-tax earnings down 19.4 per cent at \$\$46.5m (US\$21.2m) on turn 30 per cent from the previous year, on sales down by about 10 per cent on the assumption that the currency remains at Y165 to Y170 to the dollar. over which rose 6.6 per cent to \$\$351.5m. After extra-

ordinary items, attributable profit was down 16.fi per cent at \$\$28.4m, and the directors declared an interim 10 cent Marubeni to liquidate shipping business The group, which bas a vir-tual monopoly of the local print media, blamed its performance on the weakness of the Singa-MARUBENI, one of Japan's Marubeni's shipping sub-sion in the shipping business, major trading houses, has sidiary Marubeni Maritine was Marubeni said it expected to decided to liquidate its loss-established in 1974 and had a completely get out of the ship-

pore economy, which had continued to bit advertising. This has plainly hurt the group's newspaper operations, ven though it raised cover prices last year on the Straits Times, the Sunday Times and Business' Times, the three English language newspapers

All of these Securities have been sold. This announcement appears as a matter of record only.

1,750,000 Shares

Riggs National Corporation

Common Stock

MORGAN STANLEY & CO.

ALEX. BROWN & SONS

BEAR, STEARNS & CO. INC. THE FIRST BOSTON CORPORATION

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HAMBRECHT & OUIST E. F. HUTTON & COMPANY INC. KIDDER, PEABODY & CO.

L. F. ROTHSCHILD, UNTERBERG, TOWBIN, INC.

SHEARSON LEHMAN BROTHERS INC.

KEEFE, BRUYETTE & WOODS, INC. MERRILL LYNCH CAPITAL-MARKETS

FERRIS & COMPANY

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ROBERTSON, COLMAN & STEPHENS

DILLON, READ & CO. INC.

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U.S.\$30,000,000



Grupo Industrial Saltillo S.A. Floating Rate Notes due 1988

in accordance with the provisions of the Notes notice is hereby given that for the six months interest period from 29th April 1996 to 29th October 1986 the Notes will carry an interest rate of 9% to 29th October 1980 the Notes will carry an interest rate of 7/2 per ennum. The relevant interest Peyment Date will be 29th October 1986 and the interest then payable against coupon No. 10 will be U.S.\$2,287.50 per U.S.\$5,000 Note and U.S.\$228.75 per U.S.\$5,000

29th April 1986

By: Citicorp International Bank Limited Agent Bank

Declaration of Independence.

Stockbrokers, having joined forces under the banner SMITH NEW COURT plc, declare that:

(i) we are the only major British market-maker not controlled by any outside group;

(ii) none of our shareholders shall influence our business, nor deflect us from offering the soundest advice and the keenest prices;

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(iv) we shall not abandon The Stock Exchange Floor and shall equip our pitches with the latest technological devices;

(v) the better to serve our international clients, we shall wherever necessary duplicate our Stock Exchange facilities in our offices;

(vi) our expansion overseas shall continue, already well-founded as it is in America, in the Far East and in Australia;

(vii) we shall never attempt to impose upon our clients any predetermined pattern of trading, believing flexibility to be the surest policy as deregulation approaches;

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(viii) whatever the size or complexity of your order, Smith New Court stands ready and eager to do your business.

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Telephone: 01-626 1544. Telex: 884410.

Inchcape drops to £46m as Asian problems bite

LOSSES in South East Asia and Malaysia was especially oil-production related activity and much lower profits from severe in the second half, when had been sales for heavy equipment and currency movements, brought vehicles for the timber industrial to the beauty of the second half, when had been sales for the timber industrial to the beauty of the second half, when had been sales for the timber industrial to the beauty of the second half, when had been sales for the timber industrial to the beauty of the second half, when had been sales for the timber industrial to the second half, when had been sales for the timber industrial to the second half, when had been sales for the timber industrial to the second half, when had been sales for the second had been ahout a slump in 1985 profits at try were et a standstill. Sir Incheape, the diversified international trader, At the pre-tax try were et a standstill. Sir David says that urgent corrective action is in band but sub-

level, these came to £46.2m—
£32.7m down on last year and well short of analysts' estimates of around £60m.

The decline in profit came in the second half, which made only £10m compared with £42.94m in 1984. Sir David Orr. fice chairman, says that the period was affected by a further drop in economic activity in south east Asia and the Middle East, the lower level of business with China, and the costs of with China, and the costs of dealing with non-performing

Foreign exchange fluctuations meant an additional short-fall of £10m from the 1984

BBA's £17m

expansion in

E17.6m.

Indian tea results were reduced by £6.8m to £9.7m due to lower market prices. The chairman says that the favourable effect of significantly lower tax rates will belp this business in future, and "it should continue to offer an attractive return."

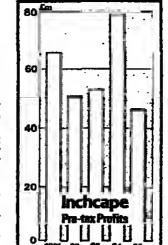
Total group turnover fell

Total group turnover fell from £2.09bn to £1.83bn, with Foreign exchange fluctua-tions meant an additional short-all of £10m from the 1984 £132.2m at £358.4m) and the igures. Far East (down £89.3m at The recession in Singapore £520.3m). The marked drop in

management profits were lower due to the depressed economy and tighter margins. Regional profits fell to £3.4m (£4.3m)

On current prospects over-all, the chairman says that some of the unfavourable con-ditions have continued into 1986, but that the immediate outlook for world trade is more optimistic. "Vigorous more optimistic. "Vigorous action is being taken to restore nrofitability and the board helieves that this will be reflected in results during the current year," he adds.

Despite the profit slump, the dividend is beld at 18.15p net with a final of 11p, and the company's shares rose 15p yesterday to close at 358p. After a tax charge for 1985



of £33.8m (£47.9m) net earnings came to £12.4m (£31m) or 20.4p (29.1p) per share.

Net borrowings at the year end totalled £183m, representing 52 per cent of shareholders' funds (59 per cent in 1984). Sir David save that the forestel David says that the financial position gives the group the ability to invest in expansion." if appropriate by acquisition."

Common Bros. board under fire

Australia BBA Group, the fast expanding conveyor belting and friction materials group, is in advanced negotiations to buy, for about A\$34m (£17m), the hraka and clutch manufacturing package and of failing to cut costs after the rescue. business of Repco Corporation, a subsidiary of Ariadne

It said Repco was the principal supplier of hrakes and clutches for the 300,000 care produced annually in Australia.

The move comes just two months after BBA acquired Automotive Products, the British clutch and brake manu-facturer, in an agreed £98m

BBA said yesterday that the Australian acquisition would complement the products and geographical spread of Automotive Products. The current pro-posals would add a further A\$140m (£70m).

The value of the assets to he acquired is subject to an accountant's report and the pur-chase price will bep aid in cash. The transaction is subject to Australian government consent.

BBA said it intended to expand Repco's sales in both the domestic and export markets, particularly in the US, where Repco already supplies the brakes for General Motors' Corvette. Repco is currently negoting a further expansion to its ating a further expansion to its North American husiness.

THE RECENTLY rescued ship-According to the terms of the ping company, Common Brothers, was accused by share-bolders at yesterday'a AGM of sbortchanging trade creditors under the terms of the rescue

In September, Common Brothers negotieted e capital reconstruction package to which a consortium of henks—the Mid-lend, Hambro, Menufacturers Hanover Trust and PK Christiansen—took a 33 per cent stake in the enlarged share capital of the company, thereby releasing it from its debts.

package Common Brothers was left with debts of £1m and two principal assets, the Babama Cruise Line with two ships and the IRO Frigg drill ship. The other former subsidiaries became related companies and thus Common Brothers was no longer liable for their debts.

"The trade creditors who dealt with these companies dealt with them as part of a PLC." said Mr Noel Hanley, a PLC." said Mr Noel Hanley, a shareholder in Common Brothers and former president of the related company, Scan-dinavian Livestock Carriers.

DIVIDENDS ANNOUNCED

	A 37 - 1						
	Allebone	1.25	June 10	1.25	1.5	1.5	
	James Beattie	2.66	***	2.13*	2.66	2.13*	
	Clayton (Holdings)	5.5		6	7.00	6	
			T4		<u>.</u> _		
	Hopkinsons Hldgs		Aug 4	4.15	7.5	5.35*	•
	Inchape	11	July 2	1	18.15	18.15	
	Jones Gp	5.5¶	-	6.25	8	8	
	Lowland Inv int	1.2		1.	_	2.8*	
	Macdenald Martin 'A'	14.5	_	13.5	17.5	16.5	
	Macdonald Martin 'B'	7.5	_	6.75	8.75	8.25	
	Micro Business	nil		1.25	0.5	1.75	
	J. Menzies	2.7		2,25	4.05	3.38	
	Pantherella‡	2.2	July 2	2	3.7	3.3	
į	Plasmact	nil		2	7	3.5	
ľ	Samuel Props int	2	June 24	1.6	_	5.85	
ĺ	Samuel From Hit		amis w	1.0			
Į	Wadkin	nil	_	1	1	3	
į	Ward Whita	4.55†	July 4	4	6.5	5.69	
	Wingate Propt		July 2	1.2	1.87	1.7	
	ALWEST C STANDS SHIPPING	ALC:	omy a	-	01	4-4	

Dividends shown in pence per share except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock. ¶ Irish pence throughout,

This advertisement complies with the requirements of the Council of The Stock Exchange,

ASDA-MFI GROUP PLC

£100.000.000

95% per cent. Bonds due 2002

The Issue Price of the Bonds is 991/2 per cent. of their principal amount payable as to 35 per cent. on 15 May 1986 and 641/2 per cent. on 30 July 1986.

Morgan Grenfell & Co. Limited

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S.G. Warburg & Co. Ltd.

Application has been made to the Council of The Stock Exchange of the United Kingdom and the Republic of Ireland ("The Stock

The Bonds will bear interest as from 15 May 1986. The first interest payment will be due on 15 May 1987 and will be at the rate of £83.25 per £1,000 nominal amount of Bonds. Subsequent payments of interest will be made at the rate of 9% per cent. per amount,

Particulars of the Bonds and of ASDA-MFI GROUP PLC are available in the statistical services of Extel Statistical Services Limited.

Listing Particulars for the Bonds may be obtained during usual business hours up to and including 1 May 1986 from the Company

Scrimgeour Vickers & Co.

20 Copthall Avenue

London EC2R 7JS

"They now find that they are dealing with facades, with card-board box companies."

According to Mr Kristian According to Mr Aristian Siem, Common Brothers' president, the change in status of the related companies was one of the criteria stipulated by the rescuing banks for the reconstruction package.

Mr Hanley also accused the Common Brothers board of baving withdrawn working capital from Scandinavian Livestock Carrier, just before he joined as president. Mr Siem

The Common Brothers board was also accused of failing to cut costs since the reconstruction of the company. Mr Michael Moriarty, of the etockbrokers Brewin Dolphin, representing one of the company's private shareholders. one of the company's preace shareholders, criticised the board for retaining a London office when the company's activities are concentrated in

Since the reconstruction package was completed Common Brothers' managing director, Mr Simon Hume-Kendall, has resigned. The last member of the founding Common family to be connected with the busi-ness, Mr Gilbert Common, has decided not to stand for re-election to the board.

The company's auditors,
Arthur Anderson, have also
resigned. Rothman Pantall have
been appointed in their place.

Credit Suisse First Boston Limited

Barclays Merchant Bank Limited

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Deutsche Bank Capital Markets Limited

J. Henry Schroder Wagg & Co. Limited

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33 King William Street London EC4R 9AS

Ansbacher and GBL have 21% of Shipley

المحارب الأنفاط وهلائم فروق الزراء إراي والمحصوص والمستبيد ستساك إلى يراهون السناسات الدارات

By David Lascelles, Banking Correspondent

Henry Ansbacher, the UK merchant banking group, and one of its large shareholders, Groupe Bruxelles Lambert, have built np a 21 per cent stake in Brown Shipley, the

stake in Brown Shipley, the London accepting house and financial services company.

Speculation about a possible takeover led to a sharp rise in Brown Shipley shares on the London Stock Exchange yesterday. They closed at 595p, np 45p on the day, having reached 600p earlier. The two companies are among the smallest on the UK banking scene.

The directors of Brown Shipley last night made it clear that the acquisition was unwelcome. The creation of this interest was wholly unsolicited by Brown Shipley and is not welcomed by the directors, who regard the maintenance of complete independence as essential to the continued success of

the continued success of Brown Shipley's business." The group has appointed Barings Brothers to advise them on the implications of the approach.

the approach.

Groupe Bruxelles Lambert already owned just 5 per cent of Brown Shipley before the deal. Acting in concert with Ansbaeher, they acquired the 16 per cent of Brown Shipley owned by Walter Duncan & Goodricke, parent of the Duncan Lawrie banking group. The transactions was priced at 500p a share, giving it a total value of about £12m. The stake is owned 5.3 per cent by GBL and 15.5 per cent by Ansbacher.

cent by Ansbacher.

cent by Ansbacher.

Ansbacher would not comment on the reasons for the acquisition. However, it is thought likely that the GBL group will be wanting to acquire a controlling interest in Brown Shipley, in line with its policy of building up strategie stakes in yarious financial institutious. But Brown Shipley has already indicated to GBL that it does not think that a tie-up with Ansbacher would be constructive.

Among other things, control of Brown Shipley by GBL, even if Indirectly exercised even if indirectly exercised through Ansbacher, could cost it membership of the Accepting Houses Committee, the City trade group which does not usually admit foreign-owned members.

Last year, GBL and its associated company, Pargesa, mounted a rescue operatian for Ansbacher which resulted in their each owning 25 per in their each owning 25 per cent of the company, With its new capital backing, Ansbacher had been expected

to take a more aggressive position in the market. In the nine mouths ending September 30 1985. Ausbacher made pre-tax profits of £2.74m. Its balance sheet at the end of last year totalled

In the year ending March 31 1985, Brown Shipley re-ported net profits of £3.4m, and had shareholders funds of £46.7m. The group has recently taken over Hesel-tine Moss, the stockbroking

Gomme buy-out given go-ahead

The scheme of arrangement for a £11.9m management buy-out at Gomme Holdings, the furniture manufacturer, has won Court approval. Mr Rodney Hall of 3i, which jointly underwrote the buy-out with the Pruden-tial, said that an institutional placing will now be arranged. Mr Hail added: "This deal has ground new ground for management buy-outs as the first successful offer for a public company not involved in a contested takeover bid.

Utd. Bank of Kuwait The United Bank of Kuwait, the London bank owned by Kuwaiti banking and state interests, has increased its paid-up capital from £59m to £100m. My Christopher Keen, the general manager, said the new capital will be used mainly in the areas of investment backing

Enlarged Ward White accelerates to £26m

300- White

for Foster Brothers Clothing.

Mr Birch describes 1985-86 as year of substantial advance

for the group. He says Maynards

for the group. He says Maynarus was acquired in October in order to obtain entry into toy retailing. Maynards confectionery business was 60ld to Trebor for £8.1m and its CTN property interests are being sold for some £4m. Maynards was purchased for £19m.

Owen & Owen was purchased for some £50m and comprisee 21 department stores. Mr Birch

says a number of these repre-aent important town centre re-

development opportunities and that these possibilities are being explored.

The Halfords husiness has

continued the major develop-men initiated following its

acquisition from Burmah Oil,

including the extension of the

edge-of-town superstore loca-tions which number 18. The

THE FAST expanding Ward White Group pushed its 1985-86 profits up by £11.7m to £26m pre-tax and is on course for further growth in the current year.

rent year. Sales so far are runing ahead Sales so far are runing ahead of those of 1985-86 and the directors, beaded by Mr Philip Birch, the chairman, confidently expect another year of good progress for the group.

Turonver for the past 12 months (to Jauary 31) surged from £244.61m to £341.01m—the group, an international retailar based in Northants, takes in Helfords, the car parts and

tailar based in Northants, takes in Halfords, the car parts and cycle chain, Payless, the DIY retailer, Focus Shoes. Owen Owen, the department store retailer, and Zodiac Toys.

Trading profits improved from £17.41m to £29.61m. Contributions from the UK based operating groups again showed substantial increases.

substantial increases. Hiafords contributed for 2 full year this time and reported improvements in both turnover and profits. Zodiac and Owen
Owen were included for the first time and made useful contri-butions since their acquisition In the latter part of 1985.

Footwear retailing experi-enced a difficult year due to adverse weather and also to the continued effect of restructuring. There were improvements by both safety products and

footwear manufacturing. The US offshoots performed well by holding their dollar sales against a generally difficult trading hackground. Increased trading profits and lower interest charges offset the currency translation effects of the weaker dollar.

Group pre-tax profits included a £1.34m (£2m) share of the related companies, results and were after interest charges of £4.93m (£5.1m).

directors anticipate that 30 such superstores will be operational by the end of the current year, of which eight will incorporate motor car servicing. Tax took £8.61m (£3.41m) to leave earnings at 23.63p (19.28p) per 25p share. A final dividend of 4.55p (4p) lifts the total from 5.694p to 6.5p net

i.5p net -- Payless was acquired from Extraordinary items accounted Marley last month at a cost of

1985/88 would be not less than

The figures reported included £3.79m (£742,000) profit on the sale of freehold and long leasehold properties. Previously these were treated as extra-ordinary items.

comment

The City bas never enjoyed complete confidence in Ward White's scattered approach to retailing acquistions and has duly attached a rating to the company's shares which looks a shade dowdy next to the coma shada dowdy next to the com-petition. Taking yesterdey's results at face value, that scepticism looks scarcely justi-fied. Ward White has fought through to a 23 per cent in-crease in earnings per share despite a patchy performance in UK shoe retailing—a prob-lem not entirely of the com-pany's own making — and a mixed contribution from the mixed contribution from the US. So the more recent acquisitions— Halfords. Zodiac and Owen Owen—would appear to be paying bandsome dividends already. The problem is that Ward White provides no meaningful breakdown of where its profits arose. The established businesses apparently showed profits growth of 20 per cent profits growth of 20 per cent but it is difficult to assess, for example. how much benefit Ward White derivad from buying a department store business for shares just ahead of its seasonal trading peak. Without further acquisitions, it is hard to see the group showing much advance in fully diluted earnings this year hut the chances of Ward White staying out of the acquisition game look slight to say the least. So the assumption of pre-tax profits in the £39m area, giving a prospec-tive p/e of around 13 at 306p, looks highly provisional.

WINGATE PROPERTY Investments reports pre-tax profits up from £500,000 to £1m in the year to December 24 1985. Gross rental income was £2,21m (£2,17m). The final dividend is raised from 1.2p-to-1.32p net for for £3.48m (£7.000). These £94m It operates 65 stores, most an increased total of 1.87p related to reorganisation, of which are out of town. At (1.7p). Stated earnings per closure and disposal costs: the tima of acquisition Mr Birch share of this USM company £1.05m related to the lapsed bid said group pre-tax profits for were 7.22p (4.02p).

NOTICE OF REDEMPTION

To the Holders of

ENTE NAZIONALE IDROCARBÚRI . 2 7 LENE A. Trade

(National Hydrocarbons Authority)

6%% Sinking Fund Debentures due June 1, 1988 NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Sinking Fund for the Debentures of the above-described issue, Morgan Guaranty Trust Company of New York, as Fiscal Agent, has selected by lot for redemption on June 1, 1986 at the principal amount thereof \$750,000 principal amount of said Debentures, as follows:

distanding Debentures of U.S. \$1,000 Each of Prefix "M" Bearing Serial Numbers Ending in the Following Two Digita:

23 54 . 10

Also Debentures of U.S. \$1,000 Each of Prefix "M" Bearing the Following Serial Numbers: 3182 3882 4482

On June 1, 1986, there will become and be due and payable upon each Debenture the principal amount thereof, in such coin or currency of the United States of America as on said date is legal tender for the payment therein of public and private debts, at the option of the holder, either (a) at the corporate trust office of Morgan Garranty Trust Company of New York, 13th Floor, 30 West Broadway, New York, N.Y. 10815, or (h) subject to any laws and regulations applicable thereto with respect to the payment, currency of payment or otherwise in the country of any of the following offices, at the principal office of Banca Nazionale del Lavoro in Rome or the principal office of Banca Commerciale Italiana in Milan or the main offices of Morgan Guaranty Trust Company of New York in London, Brussels, Paris or Frankfurt or the main office of Algemece Bank Nederland N.V. in Amsterdam or the main office of Krediethank S.A. Luxembourgeoise in Luxembourg-Ville. Payments at the office of any paying agent ontside of the United States will be made by check drawn on, or transfer to e United States dollar account with, a bank in the Borough of Manhattan, City and State of New York. Any payment made by transfer to an account maintained by the payee with a bank in the United States may be subject to reporting to the United States Internal Revenue Service (IRS) and to backup withholding at a rate of 20% if payees not recognized as exempt recipients fail to provide the paying agent with an executed IRS Form W-9, certifying under penalties of perjury the payee's tarpayer identification number (employer identification number or social security number, as appropriate). Those holders who ere required to provide their correct tarpayer identification number on Internal Revenue Service Form W-9 and who fail to do so may also be subject to a penalty of \$50. Please therefore provide the appropriate certification when presenting your securities for payment.

Debentures surrendered for redemption should have attached all unmatured coupons appurte

ENTE NAZIONALE IDROCARBURI By: MORGAN GUARANTY TRUST COMPANY OF NEW YORK, Fiscal Agent

April 29, 1986

NOTICE

The following Debentures previously called for redemption have not yet been presented for

DEBENTURES OF U.S. \$1,000 EACH M17370 17831 17832 17841 27891



County Bank Limited

ANZ Merchant Bank Limited

Baring Brothers & Co., Limited

Samuel Montagu & Co. Limited

Exchange") for the Bonds to be admitted to the Official List.

ASDA-MFI GROUP PLC

Craven House

Kirkstall Road

Leeds LS3 1JE

Girozentrale und Bank der österreichischen Sparkassen

payable annually in arrear on 15 May, on the full principal amount of the Bonds.

Announcements Office of The Stock Exchange and up to and including 13 May 1986 from:







29 April 1986

in Kent you'll find unrivalled links with the rest of Britain and Europe, a skilled workforce, attractive cost levels and a better way of life. And you'll be joining the many companies who have already made names for themselves here. For a brochure and video contact the



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Bank of Montreal

U.S.\$250.000.000 Floating Rate Debentures, Series 9, due 1996

Notice is hereby given that the Rate of Interest for the three month period 29th April, 1986 to 29th July, 1986 has been fixed at 71/16 per cent. The amount payable on 29th July, 1986 will be U.5.\$178.52 against Coupon No. 9.

Morgan Guaranty Trust Company of New York



h Low Company Price

112 Ass. 2rit. Ind. Ord. 131

121 Ass. 2rit. Ind. CUI.S. 136

43 Airsprung Group 72

29 Armitags and Rhodes. 29

166 Bardon Hill 170

42 Bray Technologies 62x

135 eCL Ordinary 138

57 CCL 11pc Conv. Pr. 137

80 Carborundum 7.5pc Pr. 14

45 Deborah Sarvices 75

20 Frederick Parker Group 20

20 Ind. Frectsion Castings 154

Isis Group 120

228 James Burrough 9pc Pr. 18

55 James Surrough 9pc Pr. 19

56 John Howard 2nd Co. 56

570 Minihouse Holding NV 1385

58 John Howard 2nd Co. 56

570 Minihouse Holding NV 1385

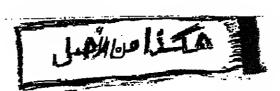
58 Scruttons "A" 30

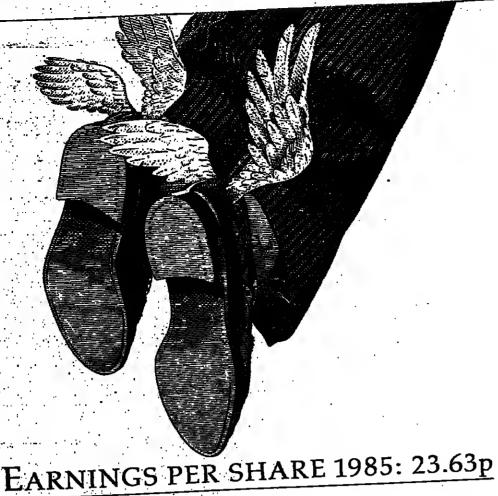
68 Torday and Carlisle 68

Torday and Carlisle 68

20 Unilock Holdings 174

195 W. S. Yeates 199 7.4 2 15.7 14.8 3.6 4.3 2.4 21.6 22.4 2.9 7.4 6.7 6.6 3.3 3.2





In the last year our pre-tax profit has grown to £26 million. (Up by no less than 82%.)

Our earnings per share has grown to 23.63p. (Up by no less than 23%.)

And our dividend has grown to 6.5p. (Up by no less than 14%.)

Indeed, you could say we're a company on the up and up and up.

So what's our secret?

(After all, little more than five years ago we were a small Northamptonshire shoemaker.)

Is it clear strategic thinking? Or management expertise? Or just good fortune?

In our view, it's a combination of all three.

Around five years ago we formed a clearly defined strategy.

One which would take us out of a heavy dependence on manufacturing and into retailing.

Since then our management has developed, has taken opportunities and has consistently shown its ability to transform businesses.

IS THERE A SECRET BEHIND OUR MANAGEMENT'S SUCCESS?

At the same time, of course, we were fortunate in moving into retailing during a period of rapid growth on both sides of the Atlantic.

But what of the future?

Here's what our Chairman and Managing Director, Philip Birch, says in our results announcement.

"1985 has proved to be a year of exciting expansion for the Group both from existing and new businesses.

The joint development of our retail acquisitions and, in particular, the Payless DIY business, illustrates that the pace of expansion is being continued.

A good start has been made to the current year with sales running ahead of the previous year and I confidently expect another year of good progress for the Group."

As he says, throughout the business there is scope for organic growth.

Halfords, Payless DIY, Owen Owen and Zodiac all have tremendous potential.

And we're confident that they will realise it. Because even if there isn't a special secret behind our management's success, there is something else.

An increasingly successful track record.

WARD WHITE 3

EARNINGS PER SHARE 1981: 7.60p



The Americans who are not staying at home

WITHIN 48 hours of Dixons the electrical retailer, announcing its £1.6bn takeover bid for Woolworths Holdings, a threeman team of mergers and acquisitions specialists from Goldman Sachs, Wall Street's largest private investment bank, bad landed in London.

The next mornig, a Saturday, the new arrivals, led by the bead of the bank's US mergers team, joined up with their eight London-based specialists to start a weekend's intensive work on the Woolworth de-

worth's chief executive and the man who took the decision to bring in the Americans, admits to being amazed by the speed and force of the Goldman re-

Increasingly, when the bluechip names of the British mer-chant banking world scramble their corporate finance crews in helo fight a bid battle, they find they are working along-side equally determined teams

mean that bid battles are £1.17bn take increasingly fought along more Lloyds Bank.
American lines. But its into



Privately, some British UK bid scene goes back further bankers will admit to unease at than that. In the past four the arrival of these powerful US bankers, with their global retworks of contacts and funds. Debenhams and Imperial Group against unwanted bids.

UK bid scene goes back further originally and developing overall than that. In the past four strategy." Charterhouse Japhet, meanwhile is maintaining close links with abareholders. "We bring an added dimension to the defence," said Mr UK the Americans lack the contacts and the expertise to make a real impression for another few years.
The US banks are frequently

from the likes of Goldman, first Boston and Citicorp.

Though the British merchant bankers are loath to admit that their lucrative and bigh-profile mergers work, if the US invasion continues it seems bound to take business from the London banks.

The US presence may also mean that bid battles are increasingly fought along more millionaire art collector, to boy Sotheby's—but their role is becoming far broader. Goldman, apart from belping with the leadership of the defende woolworth. is also defende Woolworth. is also defende to defende team, but the speer amount of work involved in preparing the formal bid dominance art collector, to boy again in 1986. In the Woolworth defence, with the leadership of the defence team, but the speer amount of work involved in preparing the formal bid dominance art collector, to boy again in 1986.

In the Woolworth defence, with the leadership of the defence team, but the speer amount of work involved in preparing the formal bid dominance art collector, to boy again in 1986.

In the Woolworth defence, with the leadership of the defence team, but the speer amount of work involved in preparing the formal bid dominance art collector, to boy again in 1986.

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In the Woolworth defence, with the leadership of the defence team, but the speer amount of work involved in preparing the formal bid dominance art collector, to boy again in 1986.

In the Woolworth defence, with the leadership of the defence team, but the speer amount of work involved in preparing the formal bid dominance are respected to double again in 1986.

In the Woolworth defence, with the leadership of the defence team, but the speer amount of work involved in preparing the formal bid dominance are respected to double again in 1986.

It tends to concentrate on John Thornton, who, at 32, bid defences. Historically Gold heads Goldman's London-based man bas advised companies disposing of assets, usually in agreed deals. In 1985 the London

amount of work involved in preparing the formal bid documents has meant, according to Woolworth, that Goldman has taken on the role of "thinking trating the intrinsic value of

mergers team. "Our particular expertise is in valuing a target company and letting the management know the alternatives to the bid."

Revenues from mergers work trebled (from a low base) last The most dramatic example of this technique, according to year and are expected to double again in 1986.

In the Woolworth defence, rubber products group which N. M. Rothschild is credited with the leadership of the bid from BTR, Sir Owen defence team, but the sbeer Green's aggressive Industrial

whole. The knowledge that the market has not yet accepted management of Dunlop in the them all," said Mr Peter Sachs, US was prepared to pay £140m a mergers pariner with Goldman for its company persuaded BTR in New York. to more than double the value The Goldman team are con-

of its hid to a level its board, beaded by Sir Michael defence is dead. "Making a profit forecast, raising your dividend and revaluing your assets may only assist the corpanies lies in deciding which would be the most profitable would be the most profitable means of sale — to the management, backed by institutions:

The Goldman team are conducted the traditional UK bid defence is dead. "Making a profit forecast, raising your dividend and revaluing your assets may only assist the corpanies lies in deciding which his offer," said Mr Robert Agostinelli, number two on the means of sale — to the management. means of sale — to the manage-ment, backed by institutions; to another company; or by means of a public stock mar-London team. While Goldman believes

can apply its US expertise to British takeover bids, it acknow-At Imperial Group, which Goldman helped defend against Hanson Trust, the US bank suggested that the brewing and ledges that there are major differences between the two countries. The 60-day bid clock which starts ticking in the UK once the formal offer document is sent allows defenders to present their arguments to investors. leisure operations would get top value from a flotation; the

Converting fixed assets such

as property into marketable securities is another method of

increasing a company's value, Mr Thornton believes. The

securitisation of assets is further advanced in the US

than the UK but it could form a possible bid defence for com-

tobacco business should be sold to its management; and the food side should be sold to a third party. In the eyent, Im-perial atttempteu, unsuccessfully, to merge with United The faster pace of takeover bids in the US allows little time for thought, said Mr Sachs,

What is the future for British takeover tactics? Mr Sachs is

clear:
"We live in an economic jungle in New York and the bounds of that jungle have new come to London. Institutions are under pressure to perform so they can't afford to miss the premium bid."

The superior Printle Processor

a possible bid defence for companies with large property portfolios, including retail groups like Woolworths.

"Theoretically there are many more opportunities in a premium bid."

The question British merchant hanks will be asking themselves is: Will a move towards US-style takeover battles inevitably lead to a still greater role for the US investment banks?

Dixons launches an attack on bid target Woolworth

its 10m sq ft of selling space and had missed out on the transformation of the High Street in the 1980s.

Mr Geoff Mulcahy, Woolworth chief executive, responded that the value of the bid was derisory and said that "its 50-called retail plans are so vague and lightweight that they represent little more than an uninspired gamble."

The management of Woolworth's High Street stores, now well into its fourth year, had failed to recruit a chief exeru-tive with the right retail skill and had not developed a suc-cessful retailing formula, Mr Kalms said.

"Basic retailing principles have not been implemented. Many prime sites bave been abandoned." he said.

Dixons listed 83 former Wool-worth stores which had been taken over by other leading retailing groups in the past four years including Boots, Burton Group, Habitat Mothercare and

Dixons, the electrical retail Marks and Spencer. Dixons and ing group which is bidding Currys had taken over 14 stores. £1.53bn for Woolworth Holdings, Mr Kalms said Woolworth's the High Street variety store company, yesterday launched a were among the lowest of any detailed attack on its target's performance and outlined plans for changes it would make.

Mr Kaims Sild Woolworth: Sales and profits per square foot any major High Street multiple, performance and outlined plans profit per square foot at £8 in 1985-86 compared with £44 chairman, said in his formal offer document that Woolworth at Dixons in 1984-85 on sales of the first flow so ft of selling space.

Dixons forecast it would pay a dividend of 3p net per share for the year ending April 1986, twice the level of the year

It said it had drawn up de tailed plans to expand the Woolworth range of items such as records and small appliances and to present them in a way which would increase sales. "It is all about detail rather than grand design," Mr Kalms said. "We only have to get one store right to get the rest right. We can achieve a lot from day one without spending a lot of money. We can fill the space in Woolworth's stores very com-

fortably."
Dixons pointed to its record in improving the performance of Currys, acquired at the beginning of 1985. Curry's sales rose 25 per cent in the six months ended last November, Dixons shares closed yester-day 2p higher at 354p while Woolworth's shares were tinchanged at 840p.



SUNALLIANCE INSURANCE GROUP

Comments by the Chairman - H. U. A. Lambert

Summary of Results — 1985

Premium income		***	m Alliance nd Phoenix 1985 Sm	Sun Alliance 1984 £m
General insurance Long-term insurance			1,778.5 576.6	1,606.7 505.1
			2.355.1	2,111.8
Profit and loss according to the control of the con	erwriting loss rofits	S	(183.4) 20.9 200.2	(198.7) 18.4 227.9
Group profit before ta Taxation and minority			37.7 10.0	47.6 10.6
Group net profit for ye Adjustment to exclude	net loss incu	rred by	27.7	37.0
Phoenix prior to ocq Profit attributable to si			27.7	41.0
Dividend Retained profits transfe	er		(6.8)	30.6 10.4
Earnings per share Dividend per share			14.0p 17.5p	20.8p 15.5p
Territorial analysis	1985	_	198	
General insurance	Premium	Under- writing	Premium	Under- writing
	income	result	income	result
	£m	2m	£m	£m
United Kingdom and		460.01		
Ireland	817.9 199.1	(69.9) (30.8)		(83.2) (11.5)
Europe U.S.A. (note 1)	180.2	(18.0)		(35.0)
Canada	92.8	(17.8)		(16.2)
Australia (pote 2)	66.5	(16.7)		(6.7)
Other overseas areas	120.8	(11.7)	141.0	(17.0)
Reinsurance	29.2	(14.8)	36.9	(22.0)
Marine and Aviation (worldwide)	153.0	(3.7)	144.2	(7.1)
,	1,659.5	(183.4)		(198.7)
Reinsurance from	1,007.0	(103,4)	1,000.7	(130.7)
Chubb Corporation	119.0	=		
(4-4-7)	1,778.5	(183.4)	1,606.7	(198.7)
Long-term insurance	Premium income	Share- bolders' profits	Premium income	Sbare- holders' profits
	£m	£m	£m	£m
United Kingdom	405.7	19.3	360.0	16.7
Europe	136.3	1.1	114.4	1.2
Australia	22.5	0.1	16.8	0.2
Other overseas areas	12.1	0.4	13.9	0.3
	576.6	20.9	505.1	18.4

1. The U.S.A. figures for 1984 include the Phoenix's Continental pool business which

was terminated oo 1st January, 1985.

2. The 1985 results for Australia include the business of Phoenix Prudential (formerly an associated company) which became a wholly owned subsidiary with effect from

1st January, 1985.

3. Relating to anticipated future claims in respect of discontinued U.S. medical mal-

A year ago my predecessor, in his final statement to shareholders, spoke of the first chinks of light to be seen at the end of the gloomy tunnel of unsatisfactory underwriting results which have oppressed the insurance industry for so long. I am glad to report that in . . several sectors of the market there are some encouraging signs of hardening rates leading to the prospect of improved profits for the Group. 1985 has, however, been another very difficult year in which some hopes have been deferred, and when considerable time and effort have been deployed in absorbing the Phoenix. Immany respects integration has gone faster than we had anticipated; and although much remains to be done, the new management structure and organisation is in place, and operating well. There have been costs to be borne, both human and financial. An early retirement scheme has helped; but there have inevitably had to be redundancies if the benefits of rationalisation were to be gathered. Quite a few of our staff have had to move as a result of the reorganisation, and it is right to pay tribute to the loyal way in which they have accepted much inconvenience. The whole of the integration expenses, whether already incurred or anticipated, have

At home, 1985 began with a spell of exceptionally cold weather which led to heavy claims in the personal sector account. There was a time when these misfortunes seemed to occur irregularly, even infrequently. The climatic pattern now appears to produce severe weather in most years, and in 1986 the coldest February for many years has followed the

The Group is now one of the largest private motor insurers in the U.K. Unhappily, 1985 saw sharp increases in the frequency and cost of claims; there have been rate increases bot there is no doubt that more are necessary.

It is satisfactory to record that the ending in mid-year of the Fire Tariff came in a strengthening market, which was greatly helped by the growing difficulty and cost of

Abroad, conditions were even more troubled with severe losses in the U.S., Canada, Australia and Holland. In the United States residual problems in the field of medical malpractice called for drastic action by Chubbs and, at the end of the year, as our accounts show, we wrote a special excess-of-loss reinsurance policy for them and provided for our own share of these losses from the past by means of a charge to reserves. This form of liability insurance has, as a result of the ever more onerous awards made in

the Courts, become so expensive that many professional people can no longer afford the necessary cover. The consequences of this trend would be less unsatisfactory if the payments made went to the relief of the persons suffering loss and did not to an unacceptable degree —in the United States at least—finish in the pockets of lawyers. The result of these activities produced an underwriting loss of £183 million, which is marginally less than in 1984, and our investment income, which had to bear the financing burden of acquiring the Phoenix, as well as less favourable currency movements, fell to £200 million. In consequence the profit before tax is down from £47.6 million to £37.7 million, but this overall figure conceals the true measure of recovery from an exceptionally bad first quarter, and present trends give us some confidence that the bottom of the current cycle may have passed.

The Sun Alliance and Phoenix life operations were remarkably complementary. Integrating them has presented us with some problems, but also with considerable opportunities, and we are now well placed to face the future. Meanwhile our life profits show pleasing growth and, at £20.9 million before tax, are making a solid contribution. We welcome the provisions of the Financial Services Bill to protect the investor in life assurance and unit trusts and I am glad to say that most life companies have supported the voluntary industry agreement on commission. The legislation will necessarily make the life assurance world a different place. The Government would be wise to ignore some of those who are advocating yet further controls, some of which sound like regulation for its

Dividend

In the past two or three years we have adopted sterner underwriting policies, which take time to bear fruit. Now with a mnre sober and realistic tone in many of our markets, we can feel hopeful that the exceptionally severe losses of recent times may abate and that only large scale catastrophes can prevent better trading results.

Through all the hard years of grievous underwriting losses our investment activities have consistently built up the Group's strength. In the past year most of the world's markets. have been healthy and our overall position has never been more sound. In the coming years we shall begin to reap the benefits of the Phoenix acquisition, and we look forward.

Your Board has accordingly resolved to declare a dividend of 17.5p per share compared with 15.5p paid last year. Our dividend has been increased in real terms in each year since 1977. An interim dividend of 5.75p was paid in January and the final dividend of 11.75p will a paid on 7th July.

Conclusion

For a decade of inflation, and of indiscipline and over-capacity in the markets, the world's insurance industry has endured a severe buffeting which has proved fatal to some companies and seriously weakened others. Where all have suffered few have had the soundness and resilience to emerge stronger both absolutely and relatively. The Sun Alliance Group is foremost among them.

The Annual General Meeting of Sun Alliance and London Insurance plc will be held at 12.30 p.m. on 21st May, 1986 at the Head Office, Bartholomew Lane, London EC2.

MBS shows downturn into losses of £3.4m

AS EXPECTED, Micro Business Systems reported a plunge into uosses of £3.41m in 1985 against profits of £3.4m last time. Strong pronts of £3.4m last time. Strong competition in the microcomputer and distribution divisions is blamed, wth £3m of provisions and write-offs.

The rest of the group, mainly maintenance, systems supplies and training, made profits during the year and the chairman, Mr Clive Richards, says that in the present year the group is trading profitably at the pre-interest level.

Micro Business losses were worse than its February statement had suggested but there were few gasps of horror yesterday: after all, at the end of the year and will have wanted to start the current one with as clean a sheet as possible. To turn over £67m and still make a loss is an impressive feat and suggests that there is significant scope for recovery through efficiency im-provements alone. Rationalisethe pre-interest level.

He adds that assuming the interest saving which should result from the already announced two-for-five rights issue and the plans to sell in-hand the the cut in interest charges which will follow the placing should enable the group would return to making free tax profits.

Turnover increased from peyond if the reconstruction faz 94mi, to 266.79mi, and the los per 5p share came out at 6.2p against earnings last time of 6.4p. The final payment is passed making a total 0.5p (1.75p) for the year.



Republic of Indonesia

U.S. \$75,000,000 Floating Rate Notes Due 1990

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest for the period 29th April, 1986 to 29th October, 1986 has been fixed at 7% percent. perannum and that the coupon amount payable on Coupon No. 8 will be U.S. \$3653.65.

> - Agent Bank النك السعودى العالمى المحدوب Saudi International Bank AL-BANK AL-SAUDI AL-ALAMI LIMITED

BASE LENDING RATES
ABN Bank 101% Robert Fraser & Ptrs 111%
Allied Duches & Co told Criedless Beat 44016
Allied Irish Bank 101% Guinness Mahon 101% Hambros Bank 101% Hambros Bank 101% American Express Bk 101% Heritable & Gan Trust 101% Amro Bank 1010 Hill Samuel
American Express Bk. 104% Heritable & Can Truet 1016
Amro Bank 107% Hill Samuel 170% 164% Henry Ansbacher 104% C. Hoare & Co 104%
Henry Ansbacher 101% C. Hoare & Co 101%
Associates Cap Corp 11 % Hongkong & Shanghai 101% Banco de Bilbao 101% Johnson Matthey 101% Knowsley & Co Ltd 11 % Bank Leumi (UK) 101% Lloyds Bank 101% Bank Credit & Comm 101% Edward Manson & Co 111%
Bank Hangalim 101% Knowsley & Co 1+4 11 0
Bank Leumi (UK) 101% Lloyds Bank 1010
Bank Credit & Comm 101% Edward Manson & Co 111%
Bank of Cyprus 101% Meghraj & Sons Ltd 101%
Bank of Ireland 10;% Middland Bank 10;% Bank of India 10;% Mount Credit Corp Ltd 10;% Mount Credit Corp Ltd 10;%
Bank of Scotland 101% Mount Credit Corp Ltd 101%
Dangue Seige Ltd 101% National Rk of Knursit this
Barriays Bank 101% National Girobank 1016
Denencial Ituat Ltd 12 K National Westmington 10102
Brown Shipley 10.10' Monday Co. m
GL Bank Nederland 1019 PK Financ Tatal (1777) 10 8
Ganada Permanent 1014. Caternican Traint Tel 1010
. Cayzer 140 101% R. Raphael & Sons 1010
_ Grant Holdings 12 % Roxburgh Gnaranty 11 02
- Chartenbuse sapriet 101% Royal Bank of Scotland 1010c
Citibank NA 101% Royal Trust Co Canada 101% Citibank Savings 110.75% Standard Chartered 101%
City Merchants Bank 1019. Trustee Savings Beat 1019
Clydesdale Bank 101% United Bank of Knuratt 1010
C. E. Coates & Co Ltd 12 % United Mizrahi Bank 1016
Consolidated Credits 1138 Whiteaway Laidlaw 11 % Continental Trust Ltd 104% Yorkshire Bank 1019
Consolidated Credits 11-8 Continental Trust Ltd 10:8 Co-operative Bank 10:9 Co-operative Bank 10:9 Comparison of the Accepting Houses Committee
Duncan Lawrie 1016 7-day deposits 6.38%. 1-month
E. T. Trust 11102 5.55%. 100 1/ar -£25,000+ at S
Exeter Trust Ltd 11 % when £10,000 termeline deposited
FINSTME & Con Sec TOLO F. Call deposite of one
First Nat Fin Corp 1210 eross.
First Nat Sec Ltd 121% 5 Mortgage base rate.

Top Tier—£25,000+ at S notice 9.72%. At call 0,000+ remains deposited posits £1,000 and over



35

It's taken us 58 hours 7 minutes to prove that film production can be consistently profitable.

Film production has something of a reputation for unreliability.

Don't ask us why.

In eight years, we've completed six feature films and over fifty hours of television, and in that time each and every production has made a profit.

There are two main reasons for this.

Like many film and television productions, ours

are well-written, well-acted and well-directed.

Unlike most, ours are also well-planned, well-marketed, pre-sold and well-distributed, and it is this which has won us large and lucrative audiences not only in this country, but around the world.

In other words, the success of our film, television and video division, as with all our leisure operations, stems from the fact that we take our pleasures seriously: we do everything from pre-production to distribution, and

everything we do is grounded in good business practice.

Given this, and given new areas of opportunity such as satellite and cable communication, we plan to stay in business for many hours to come, producing film, video and TV entertainments of all kinds.

Except one.

We won't be making any disaster movies.

THE BRENT WALKER GROUP

WORKING FOR PLEASURE

NEW ISSUE

These securities have been sold outside the United States of America and Japan. This at

KENWOOD

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(Trio Kabushiki Kaisha)

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3% per cent. Guaranteed Bonds 1991

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Issue Price 100 per cent.

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UK COMPANY NEWS

Duport in 'amicable

The news yesterday produced substantial rise in Duport's

from its traditional engineering roots into plastics, which now dominate the group. Its Swish curtain rail subsidiary is the UK-leader, with some 42 per cent of the market.

tax profits in the year to last.
January would be not less than
#5.3m, with earnings per share
of not less than 7.5p. built up in just four years by Mr Nigel Rudd, its chairman, and Mr Brian McGowan, manag-lng director, into one of a band-ful of fashionable, fast-

pre-tax profits up 55 per cent

Since then it has moved away £150m bid for the much larger McKecknie when it made con-tinuation of its bid dependent on McKecknie shareholders re

> Mr Rudd said yesterday that Williams and Duport were hold-ing amicable discussions, and would depend on whether their financial advisers could come up with an acceptable

re-tax profits up 55 per cent t failed in an ambitious spanning engineering comtage of the companies would be an extremely good fit.

Williams' Rawiplug subsidiary would go well with Swish, while the two had forges which could share business well.

that the lithium battery, which

is lightweight, has high energy

density and long shelf life-but is expensive will be taken

up shortly by the US Navy and Air Force.

that it wanted to push Power Conversion's products deeper

into commercial markets par

ticularly in electronic memory

back up which includes applica tions like computers, telephone exchanges and washing

It also signalled yesterday

Demerger Corporation yester-day failed to win control of Extel, the financial and sporting jecting their company's bid for Newman Tonks. The Tonks bid was voted through, but ultimately failed. Only four weeks ago Williams agreed to pay 522m for Pearson's Fairey Engineering subsidiary. information group. Demerger's innovative £170m takeover hid won the backing of only 33.51 per cent of Extel's shareholders, well below the 90 per cent

needed.

Despite Extel's success, the company remains on the defeatsive facing the prospect that
Mr Robert Maxwell, chairman of British Printing and Communication Corporation, may make a bid of his own. Further market purchases of Extel's shares last week took Mr Maxwell's holding to 5.61m shares or 13.21 per cent of its equity the company announced

Demerger

£170m bid

for Extel

fails in

esterda Extel attempts before the takeover panel to establish that. Mr Maxwell had been acting in concert with Demerger. If Mr Maxwell was in concert, be would be barred from bidding

again for 12 months.

Mr Michael Rhodes, Demerger chairman, yesterday blamed the failure of the bid on purchases of Extel shares by its above the 400p level of the cash alternative. He also blaced "an inspired upward revision" of analysts' profit projections for Extel.

Kleinwort countered that it had bought only 660,000 shares and some of these had been acquired at less than 400p. Mr Peter Early, managing director of Infincorp, Earl, Demergers' advisers, said the bid for Extel had proved that on a technical level a bid aimed

at breaking up the target com-pany into its component parts was possible. The offer had obtained allthe necessary clearances from the Inland Revenue and the the inland Revenue and the other regulatory authorities.
"The demerger principle has been established and could be applied to other companies."
Mr Alan Brooker, Extel's chairman, said: "We are obviously delighted and hope this will be the end of this vexatious affair. Apart from shareholders with ulterior shareholders with ulterior motives such as M. Marwell and MM (the fund management group) we had overwhelmsupport from our share-

Exters shares rose 2p to 398p

talks' with Williams

24th April, 1986

Williams Holdings, the acquisltive industrial holding com-pany which failed in February McKenchnie Brothers, is now in talks with Duport, the plastics and metal-forming group which might lead to it bidding for Duport.

share price, which closed at 181p, np 16p on the day. At that level the company has e marked capitalisation of £71m. Williams closed at 680p, up 5p on the day. Duport, which used to be predominantly a steel manufac-turer, ran into serious difficulties in 1981 and was saved from collapse by a major capital restructuring and the sale of much of its steel business to the British Steel Corporation.

It recently estimated its pre-

ful of fashionable fast-expanding engineering com-panies with a strong City fol-lowing. Last year it produced

Hawker in £40m battery deal

Hawker Siddeley, the electri- tunities for lithium batteries in manufacturing business with Conversion would benefit from the agreed purchase of Power a broader management structure of the
The purchase, which is being recommended by the board of the New Jersey-based company to its shareholders, involves Hawker Siddeley paying \$15 per share in cash. Power · Conversion employs

600 at factories in New Jersey and Puerto Rico, and made a pre-tax profit of £1.75m (\$2.7m) last year on sales of £14.2m

Vidor company in South Shields has made lithium batteries under licence from Power Conversion for six years. Its other hattery companies; include Oldham, Tungstone and Crompton (a separate company to Crompton Vidor).

Main markets for these three companies are the automotive and traction industries, includ-ing railway engines and forklift trucks while cutput from Crompton Vidor goes mainly into defence for applications like telecommunications, indus-trial; marine and consumer

Hawker Siddeley said yester-day that to exploit the oppor-

cal and mechanical engineering defence, commercial and group, is extending its battery retail applications, Power Army for use in digital com-munications equipment, mine detectors and night vision

The group is clearly looking to the long term potential of lithium batteries. Sales of these have grown much faster in the US than Europe, but Hawker does not manufacture them at the moment except at South Shields.

Power Conversion's sales grew during the past five years at a compound annual rate of 37 per cent and pre-tax profits at 41 per cent. Some 70 per cent of Power Conversion's

Joint receivers have been appointed to Peters Stores, the loss-making retailing and property group. Mr Nick Lyle and Mr Ian Turner, of chartered accoun-tants Grant Thornton, say they intend to continue the group's retail trade activities in the Keen Jeans outlets.

Furthermore, the Isaac Walton department store in Newcastle will continue trading normally with a view to the sale of the business as a going concern.

Receivers in at Peters Stores The two men were appointed

> Dealings in the company's shares were suspended last week pending clarification of its financial position. Peters said at the time that it was in decussions with its bankers with

joint receivers and managers by Barclays Bank

machines.

equipment.

regard to its mancial situation.
Last November, faced, with
losses of £1.9m pre-tax for the year ended June 1985, Peters said it nad decided to sell most

property company.

Shaping an ambitious future.

Speaking at the Annual General Meeting on 28th April 1986, Sir John Harvey-Jones, Chairman of ICI, said:

Nomura International Limited

Baring Brothers & Co., Limited

Mitsui Finance International Limited

HandelsBank N.W. (Overseas) Ltd.

Takugin International Bank (Europe) S.A.

KOKUSAI Europe Limited

Morgan Stanley International

Bank Gutzwiller, Kurz, Bungener (Overseas) Limited

Banque Nationale de Paris

Daiwa Europe Limited

This is a special meeting for me because it gives me a formal opportunity to introduce my successor. Denys Henderson, who succeeds me on 1st April 1987, will be the 11th, and youngest ever, Chairman of ICI which is eloquent tribute to his abilities and stature.

ICI was formed on the 7th of December 1926. Looking back over those sixty years, we see major changes. It is a great tribute to generations of ICI people that your Company is still growing and shaping an ambitious future for itself in the markets

Growing Resurgent Business

I should like you to look at the 1985 results in the

broad sweep of the last five years. The business has grown from sales of £6.6bn to £10.7bn and the average annual growth has been about £1bn. For two years 1981 and 1982 pre-tax profits stayed around £300m then leapt to £600m then to £1,000m and last year fell back somewhat to £912m, still 47% up on 1983. These figures for growth and profitability are the figures of a growing, resurgent business. We have re-arranged our reporting of Group activities under four

Industry Segments: Consumer and Speciality Products, Industrial Products, Agriculture, and Oil and Gas, placing the emphasis on the different markets we serve and better describing the changing

shape of our business. The highlight of 1985 was the performance of the Consumer and Speciality Products segment, which increased its trading profit by £71m. Particularly noteworthy were further growth in pharmaceuticals and an encouraging first contribution by the businesses acquired from Beatrice Companies Inc. The acquisition of the Beatrice chemical businesses was a key business decision intended to contribute

both to increasing our portfolio of high added-value products and accelerating our expansion in the USA.

Kyowa Bank Nederland N.V.

Crédit Lyonnais

Barclays Merchant Bank Limited

Banque Bruxelles Lambert S.A.

IBJ International Limited

Morgan Guaranty Ltd

Swiss Volksbank

Dentsche Bank Capital Markets Limited

The Nikko Securities Co., (Europe) Ltd.

Yamaichi International (Europe) Limited

As far as the overall check in profits in 1985 is concerned there were several contributory factors. First, the European heavy chemical businesses increased sales but were unable to sustain their

1984 profit performance because of pressures on margins. Trading profits in the Industrial Products segment fell back by £64m - still well up on 1983. Second, oil production from Ninian continues to decline and oil taxation has now increased from 60% to 65%. Overall, theoilfactor reduced trading

profits by about £50m. Third, 1985 was an exceedingly difficult year for world agricultural activity. Notwithstanding these difficult conditions and in spite of start-up costs with its new plant breeding business, agrochemicals not only increased its sales turnover by 13% but held its profits level. Although fertilizers increased sales turnover by 7%, trading profit fell by £37m. Finally, the effects of currency fluctuation and volatility were less favourable compared with 1984.

Results for the first quarter of 1986 show that businesses which did well in 1985 are continuing to do well and there has been welcome improvement in fibres, colours and a very strong performance in polyurethanes. However the oil business has been hit by the fall in crude oil prices and problems in fertilizers and related products have intensified. The net result is that Group sales were somewhat down and profits somewhat up compared with the fourth quarter of 1985.

The ICI Group's relatively small oil interests are experiencing difficult trading conditions at present prices, but for the whole Group there is likely to be advantage - if the oil price stays down and as the benefits of reduced feedstock costs and increased economic activity come through.

Evolution of Strategy

We must go where the markets are and a major strategic target is expansion in the United States.

In 1981 our sales there were just over £l'abn and accounted for less than 9% of our business. By 1985 sales had trebled and were more than 15% of the business. The substantial increases in ICI sales have been mainly overseas. Our designation of a Consumer and Speciality Products segment highlights the extent to which the balance of our business is changing towards higher added-value 'effect' products. In total almost half our chemicals turnover is in 'effect' products which provide nearly two thirds of our trading profit. So our base for future

growth in Specialities is well established. The third major building block in our strategy is innovation. Last year we launched something like eighty new products and we made a significant increase in R&D expenditure. These brief reflections on the continuing evolution of our strategy will convey that we know what we want to do. we are doing it, and we are going to go on doing it.

Dividend Target

As stockholders, I'm sure you will be as pleased as we are that the Board has felt able to make a. real increase in dividends from 30p to 33p per share and will be equally pleased by the increase in value of ICI shares which have risen from a low of 226p in 1981 to touch £10 at one point earlier this year. The more our performance is reflected. in a higher market price for our stock, the more stockholders benefit and the better we are able to raise funds and finance expansion:

You will not have been surprised by our concern at the Government's imposition of a 5% tax on the creation of new depositary receipts (ADRs) - the form in which most UK equities are traded outside the UK. It is not only the immediate implications for American investors, who now hold some 15-16% of our stock, that have caused us to voice our objections to the new tax so publicly. The Government's decision, if brought into effect, will put UK companies at both

commercial and financial disadvantage opposite their foreign competitors. We, together with other major companies are continuing our efforts to suggest alternative mechanisms which will meet the Chancellor's concerns.

Commitment to Success

Each Chairman of ICI is a custodian for a brief period in the life of the Company. I think we are fortunate in the elements which have become a continuous part of ICI. First, the importance of people; second, our pursuit of imprevement; third, our commitment to research. Three continuing streams in ICI thinking and action, as vital today in the success of our business as they were sixty years ago. The nature of the chemical industry is changing. It is no longer enough to produce great tonnages at low costs for the markets of the world. Our business increasingly focuses on specific customers and on adding service to the products we supply them with.

Finally, I am particularly pleased that the number of stockholders increased during 1985. I do not wish to diminish the importance of institutional shareholders or of our United States shareholders - but the small stockholder with his personal interest and concern is a most active source of strength, encouragement and advice.

I have still a year to go, but this is the last time I shall stand before you at an AGM. I am totally confident that when Denys Henderson succeeds to this stewardship next year your investment

in ICI will continue to be a stake in a great Company which has the ability to realise its ambitions for the future.



Oil downturn expected to be of net benefit to ICI

Imperial Chemical Industries through," he said. "I have to He had a similar response to expects the fall in the oil price to be of net benefit to this year's but I find it difficult to believe rights issue. "I cannot make a profits, chairman Sir John It won't happen. The effect positive statement," he said. Harvey-Jones told shareholders should substantially outweigh but whatever we're short of, it at the annual general meeting. Speaking at his last AGM before his retirement next year,

Replying to a shareholder's question about an ICI hid for Beecham. Sir John stuck to the official company line of not combefore his retirement next year, Sir John said the negative effects of the fall had been felt immediately, particularly in the nil and gas division, which had only broken even in the first quarter of the current year. Trading profits from the division last year were £59m.

"The real question is how quickly the forecast increase in world growth and activity comes

isn't money. We also have a mimber of ways of raising money at very reasonable raies

at present." In answer to a shareholder's criticism of ICI's use of animals in research, Sir John said that experiments at ICI had balved since 1977. ICI had carried out around 200,000 experiments on animals last year, with 95 per cent of them involving rates end mice.

Allebone swings back to profit in second half.

Hispano Americano International Limited

U.S. \$ 100,000,000 :

Guaranteed by ...

Guaranteed Floating Rate Notes due 1995

Banco Hispano Americano, S.A.

In accordance with the provisions of the Notes notice is hereby given that for the six months period from April 24, 1986 to Octo-ber 24, 1986 the Notes will carry an interest rate of 7% per annum with a coupon amount of U.S. \$ 355.83.

Frankfurt/Main, April 1986

COMMERZBANK

A SHARP recovery in the ing conditions were again diff-second aix months anabled cult.

Allebone and Sens, footwear Pre-tax profits were after

Allebone said Sons, footwear manufacturer; and retailer, to more than make up its first half £218,000 loss.

However, despite a £374,000 profit during the latter half, the group still saw its pre-tax result for the year to January 31 1986 fall from a restated £967,000 to £156,000.

The directors give two main

The directors give two main factors for a £539,000 drop in retailing to £121,000: the weather and depressed sales will have to he reviewed in the following the absence of any light of the ruling on Sunday new fashion themes in footwear. In addition, the group suffered a substantial mcrease in its operating costs following the

Pre-tax profits were after interest charges of £262,000 (£198,000) and a £414,000 (£541,000) profit on the disposal of properties.

Earnings amounted to Gip (10.5p) after tax of £71,000 (£202,000) and a final dividend of 1.25p holds the net total at

1.5p.
The directors say the plans to expand the chain of edge-of-town Shoeworld discount stores will have to be reviewed in the

mading. They hope that the new ranges being developed will enable a recent improvement in rating revaluation in Scotland trading performance to be sustrading performance to be sus-

> Ha said employees recognised the need for radical change, and detailed discussions on methods of implementation were in progress.

> With the exceptionally cold spring, it was still too early to judge how far the UK bicycle market would recover this year. The group, he added, having beached the present stage in its

recovery the present stage in its recovery programme, would increase expenditure on its core businesses, particularly for automotive. components, jet. engine rings and vacuum furnaces.

Hopkinsons adds £1m to year-end profits

SECOND HALF pre-tax pro-SECOND HALF pre-fix pre-fix at Hopkinsons Holdings, manufacturers of botter mountings and valves, improved from £2.7m ta £2.72m, and figures for the full year to January 21 1986 were £6.83m compared with £5.83m.

The total dividend is increased from an adjusted 5.35p to 7.5p net with a fining from 4.15p to 5.5p. State desirings per 50p share improved from an adjusted 17.78p to 25.98p.

Group turnover at the year-end was £65.8m against £59.17m, and operating pro-fits came out at £6.42m (£5.29m).

• comment

Hopkinsons Holdings has cleared market forecasts by £300,000 thanks to the buoyancy of Bryan Doukin and the fin turnaround into profit by J. Blakeborough. Doukin is running forward on the heat of a combiner in the back of a significant in-crease in demand, both at home and overseas, from the gas industry — a trend which Ropkinsons does not see Hopkinsons does not see weakening for a few years yet — while the recovery at Blake-borough is solely due to rationalisation; the underlying domand from the water treatment industry continues at a subdued level. However Hopkinsons Limited has been heading the other way, still lung in relatively demand starved limbo. Having enloyed starved limbo. Having enjoyed the best of Torness and Haysham the division is now waiting for same positive moves on power station con-struction. But even if Limited stays depressed the group looks on line for £71m pre-tax this year including \$1m con-tribation, set of financing charges, from Atwood and Morrill. After yesterday's 22p rise to 275p the prospec-tive p/e is 11; backed by a historic yield of 4 per cent.

James Beattie ahead Improved pre-tax profits, up from £4.92m to £5.6m, for the year to March 31 1986, and sales, excluding sales taxes, advanced from \$41.72m to \$46.3m. The dividend is raised from an adjusted 2.125p to 2.6563p

After tax up from £2.1m to £2.32m, stated earnings per share were 1p higher at

Plasmec losses are worse than expected

BY RICHARD TOMKINS

Plasmec, the USM-quoted specialist plastics and mechanical engineering group, has turned in pre-tax losses of £570,000 for the year to December against profits of £387,000 the year before and has passed its final dividend.

The company warned in December that a recovery from its interim losses of £40,000 had not taken place, but the full-year losses were worse than expected and the shares, placed in October 1984 at 70p, shed another 1p to 24p.

The company said the losses were caused by sluggish sales and an under-utilisation of capacity. The difficult trading conditions had been worsened by tighter margins and longer lead times.

However, the first part of 1986 had seen a return to more normal order rates with modest profitability in the first quarter.

Turnover for the year rose from £7.01m to £7.14m but operating profits of £567,000 turned into a deficit of £74,000. Plasmec said the main reason was a decline in sales and man gins at Pre-Met, which was fit by destocking in the luxury gift and industrial markets and delays in new product launches

There were also non-recurring costs of £55.000 mainly relating to the retirement and resignation of two directors and exceptional costs of £278.000 relating to write-offs on excess costs and exceptional costs. stock and a provision for had debts. Interest payable rose from £180,000 to £218,000.

Pantherella advances 16%

Pantherella, the Leicester-based maker of men's socks, reported another successful year in 1985, particularly in export markets. Despite the rising pound, 65 per cent of turnover went overseas.

On turnover for this USMquoted company up by 20 per cent from £3.85m to £4.81m, pre-tax profits improved by 18 per cent to £781,000, against £656,000.

Following the deterioration in trading conditions towards the end of the year, which led to some overstocking among customers, the present year has started slower than expected. The order book at the moment

The directors are, however, still planning for a more buoyant market as the year

Earnings per share came out at 11.2p against 10.18p and the directors are recommending a final payment of 2.2p (2p) making a total for the year of 3.7p (3.3p).

The tax charge was £313,000 against £249,000 last time when there was also an extraordinary item of £1,000. Dividends absorbed £148,000 (£134,000), leaving the retained profit for the year at £300,000, against £274,000 last time.

A warning

Annual returns for 1985 which have not reached the Registrar of Companies are now overdue and must be filed immediately with the £20 fee.

Any accounts for a financial year ending 31 May 1985 or earlier are also overdue and must be filed immediately.

Failure to file returns or accounts is a criminal offence for which individual directors are liable to prosecution (in the last year there has been a 40% increase in prosecutions).

Convictions are now being notified to local papers in the areas where the defaulting directors live.

COMPANIES REGISTRATION OFFICE Companies House. Crown Way, Maindy, Cardiff CF4 3UZ. Tel: Cardiff (0222) 388588

IN BRIEF

BOCK, the High Wycombe-based dealer in engineers' consumable supplies, bas consolidated its return to profit in 1984 with almost doubled profits in 1985. The pre-lax figure was £136,157 compared with £72,458, on turnover ahead at £6,17m against £5,85m. No dividends are again payable—the last nayment was payable—the last payment was in 1979. Mr Oswald Dockery, the chairman, says the small tools division achieved improved margins while maintaining its level of turnover.

TOP VALUE INDUSTRIES. the Manchester-based clothing manufacturer, made pre-tax profits of £5,000 duriog 1885 profits of 15,000 during 1865 after incurring losses of £315,000 the previous year. Turnover was down from £4.56m to £4.17m, but gross profits increased from £529,000 to £829,000. Earnings per share were 0.14p against a loss of 4.55n Directors are progress in 4.65p. Directors say progress in establishing the new chain of High Street discount stores has been slower than anticipated.

IONES GROUP, Dublin-based shipping, engineering, manufacturing and distribution group, increased its pre-tax profits from 152.94m to 153.07m profits from 122.94m to 123.07m in 1985. Turnover rose from 147.8m to 187.98m. The final dividend is cut from 6.25p to 5.5p, but the total is unchanged at 8p. Earnings per 10p share were 17.01p against 20.9p.

CHEPSTOW RACECOURSE, which promotes and runs race meetings, made taxable profits of £11.997 in 1985 compared with £17,010 for the previous year. Turnover was £715,624

(1854,832).
Earnings per share were 1.99p (3.07p). The single final dividend is unchanged at 1p.

CONRAD HOLIDNGS reports a taxable profit of £345.013 on £6.95m sales for period to end-December 1985, which incorporated 10 months trading for Conrad Holdings and 12 months perated 10 months trading for Conrad Holdings and 12 months for EGC Construction. This compares with £544,866 on £6.97m sales for period to end-February 1985, which incorporated a full 12 months both from Conrad, formerly Russell Brothers, and EGC. The single final dividend is 2.5p (nil).

TOWLES, maker of hosiery and knitwear, reports slightly higher taxable profits of £597,000, against £580,000, for the year to end-February 1986. Turnover was £15.2m (£14.3m).

Earnings per share were 16.44p (15.06p). The single final dividend is unchanged at 2.9p on both the ordinary and the "A" ordinary shares.

BIO-ISOLATES: Pre-tax losses increased to £441,000 in 1985—in the previous 15-month accounting period, they were £356,000. The losses were after share of losses this time of a losse that the previous approach to the property approach to the prope joint venture aprinership of

£48,000. The pre-tax figure in-cluded interest receivable, up from £5,000 to £13,000. No dividend is payable by this Swansea-based USM company which is engaged in the isola-tion of valuable proteins and construction of related plant. Turnover for the year was £2,65m against £1.4m in the previous 15 months. After an extraordinary debit of £122,000 (ni)), passes for the year totalled (ni)), losses for the year totalled £563,000 against £356,000. SCOTTISH CITIES Investment

Trust rose from 534p to 608p in the first half of the 1985-86 year, and the directors have declared and the directors have declared an interim dividend of 7p, against 6p. They say that the final will not be less than last year's 17p. Net revenue came to £482,000 (£412,000) after tax of £254,000 (£219,000) for earn ings per share shead from 12.4p

AEGON EARNINGS UP 16.5%

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Please send me a copy of the 1985 Annual Report

AEGON nv registered offices at The Hague, The Netherlands

Annual General Meeting of Shareholders to be held in the room "Residentiezaal" of the Promenade Hotel, 1 Van Stolkweg, The Hague, The Netherlands, on

Agenda Opaning of the Meeting.
 Minutes of the Meeting of 22nd May 1985. 3. Report of the Executive Board on the 1985

4. Approval and adoption of the ennual accounts for the 1985 financial year, egreed by the Supervisory Board. 5. Finencial information for the first three

concaming the members of the Supervisory Board to be reappointed is available for inspection at the Company's offices in The Hague. Amsterdam and London and at the office of Morgan Guarantee Trust Company of New York, New York 7. Vacancies on the Supervisory Board in 1987.

B Appointment of Auditors. 9, a. Designation, in accordance body authorised in respect of the issue of shares in the Company.

BDRs, in accordance with Article 98 of Book 2 of the Netherlands Civil Code. 10. Further information from the Executive Board. 11. Matters arising.
12. Questions and closing of the Meeting.

b. Authorization to the Company to

ecquire shares in its own capital or

Holders of ordinary shares to bearer of the Company are admitted to the Meeting on production of a certificate proving that their shares have been filed at the office of a member of the Vereniging voor de Effectenhandel" in The Netherlands, in the United Kingdom et the "Amsterdam-Rotterdam Bank N.V" or tha "Algemene Bank Nederland N.V." in London and in Switzerland at the "Schwaizerischer Bankverein," "Schweizerische Kreditanstalt" or "Schweizensche Bankgesellschaft" in Zurich, Basia and Geneva. The filing must have teken piece on 14th May 1986 at the

Copies of the agende with explanation and further documents pertaining to this Meeting are available to shareholders free of charge at the Company's offices in The Hague, Amsterdam and London, in Switzerland at the "Schweizerischer Sankverein" in Zurich and in New York at the office of Morgan Guarantae Trust Company

Bank Leo Barrison Bank J. Vontobel & Co. AG Bankers Fruti GmbH Banque Générale du Luxembourg S.A. Indospez Internationale à Luxembourg S.A. ique Nationale de Paris ique de Neuffize, Schlon e de l'Union Européern Brothers & Co., Limited Baring Brothers & Co. Bayerische Hypotheke Aktiengesellschaft 4" Chemical Bank Aldiengeselischaft CISC Limited nerzbank (South East Asia) Ltd.

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continues at TI in first quarter

Better trend

The improving trend in profitability at TI Group continued in the first quarter, but overall there had been no great change in market conditions, Mr Ronny Utiger, the chairman, told the annual meeting in Birmingham.

After allowing for disposals and the effect of changes in exchange rates, total sales were a little aliead of the first quarter last year. Within that total there had been some slackening in demand from sections of the automobile industry in North America and the UK, offset by higher sales in other parts of the group.

At Raleigh, he said, the group had completed extensive consultations with all employees on the intended changes in production methods and working

While improved performances in 1986 and 1987 was clearly the top priority, it was putting an increased effort into building for the future.

April 29, 1986

Westpac Banking Corporation

.This announcement appears as a mitter of record only.

DM 250,000,000

Issue Price: 100% - Interest: 5 1/4% p. a., payable annually in arrears on April 30 - Redemption: on April 30, 1996 at par

WESTPAC BANKING CORPORATION

CAPITAL MARKETS LIMITED

DEUTSCHE BANK

UNION BANK OF SWITZERLAND (SECURITIES) LIMITED

Crédit Lyonnais Crédit du Nord Out-Ichi Kangyo International Limito Daiwa Europe (Deutschland) Grabfi Delbrück & Co.

EBC Amro Bank Limited Die Erste österreichisch schaftliche Zentralbank AG

Georg Hauck & Sohn Ba elischaft auf Aktien fache Landesbank

Industriebank von Japan (Deutschla Aldiengesellschaft Kansallis-Osake-Pankki Kleinwort, Berson Limited Landerbank Rheinland Pfalz

- Girozentrale -Landeshank Schlerwig Holstein Lloyds Merchant Bank Limited LTCB International Limited Merck, Finck & Co. Merrill Lynch Capital Markets

en la companya de la compa

WESTDEUTSCHE LANDESBANK GIROZENTRALE

Corporation (Europe) S.A Missai Finance International Limiter Samuel Montagu & Co. Limited Morgan Grentell & Co. Limited Morgan Guaranty Genbff
Morgan Guaranty Genbff
Morgan Stanley International
The National Bank of Kuwah S.A.K.
The Nikto Securities Co.,
(Deutschlandi GmbH Nomers Europe GmbH Norddeutsche Landesbark

Salarean Brothers inte

International Sparekassen SDS Svenska Handelsb Swits Volksbank Trinkaus & Berkhardt KGaA

M.M. Warburg Brit

(incorporated with limited liability in the State of New South Wales, Australia) 5%% Subordinated Bearer Bonds of 1986/1996

Denomination: DM 1,000 and DM 10,000 · Listing: Frankfurt/Main

COMMERZBANK :

BANQUE BRUXELLES LAMBERT S.A.

CREDIT COMMERCIAL DE FRANCE

DRESDNER BANK

SWISS BANK CORPORATION

Algemene Bank Nederland N.V. Arab Banking Corporation — Days & Co. GmbH Julius Baer International Limited

BankAmerica Capital Markets Gr. Bank of Yokohama (Europe) S. A. Bank für Gemeinwirtschaft

edlerhalt

lanca del Gottardo

County Bank Limited

Ranco di Ro

Aktienger nk Leu in

INTERNATIONAL LIMITED

BANQUE PARIBAS

GIROZENTRALE UND BANK

DER ÖSTERREICHISCHEN SPARKASSEN

Crédit Agricule Crédit Industriel et Commerciale de Paris

Den Danske Bank Den norske Credi

Hambros Bank Limited Hambergische Landesb – Girozentrale –

II. Metzler seel. Sohn & Co. Strubishi Trust and Banking

BERLINER HANDELS-

UND FRANKFURTER BANK

DG BANK

DEUTSCHE GENOSSENSCHAFTSBANK

SOCIETE GENERALE

Sal. Oppenheim ir. & Cle. Sal. Oppenheim ir. & Cle. Pierson, Heldring & Pierson N.V. PK Christiania Bank (UK) Limited Privatbanken AS J. Henry Schroder Wagg & Co. Limited Shearson Lehman Brothers

Union Bank of Norway Ltd. Vereins- und Westbank Section 1 kmann. Wirtz & Co.

.G. Warburg & Co. Ltd. Zentralbank eG Yamaichi International (Deutschland) GmbH sparkasse und Kommerzialhank

Shareholders are invited to attend the Wednesdey, 21st May 1986 at 2.30 p.m.

> months 1986. Betrement and appointment of members of the Supervisory Board. Documentation

> > with Articlas 96 and 96e of Book 2 of the Netherlands Civil Code, of the Company

of New York. The Hague, 29th April 1986. The Executive Board 1 Churchillplein

AEGON Insurance Group · International growth from Dutch roots



The Wellcome Foundation Limited

U.S. \$20,000,000 84% Bonds Due 1987

NOTICE IS HEREBY GIVEN that pursuant to Section 6(A) of the Conditions of the Bonds. \$762,000 aggregate principal amount of such Bonds of the following distinctive numbers has been selected for redemption on June 1, 1986 at the redemption price of 100% of the

Laurenhar amoraic cu	ereor:		
	\$1,000 COUPO	s: 20×08	
			4 10000 10011 10700
M 2 3297 5956 6572	12495 12725 13613 14618 160	97 16772 17085 17294 1845	4 18639 18341 18103 - 16841 16814 16784
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4 3301 5967 G582	12506 12728 13620 14627 161	01 16:84 170:5 18002 1840	5 10040 10000 10000
5 5304 5968 0583	12516 12738 13631 14628 161	04 16788 17080 18026 1646	0 18033 19322 19119
6 3307 5969 6584	12520 12746 13662 14629 163	92 16790 17081 18030 1848	a 18662 19624 19787
9 3319 5970 6590	12530 12901 13663 14630 164	01 16794 17084 18036 184	4 18903 19334 19190
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492 4011 6340 9860	12576 13324 14066 15830 1649	02 10041 1/10J 10JU/ 10VI	7 10792 10417 10040
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491 4101 6250 11253	12579 13402 14069 15846 1656	10 100-4 11110 10001 100-	1 19754 16491 19954
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3245 5862 6506 12493	12715 13598 14615 16997 1676	3 17060 17292 18447 1863	19239 19746
	12718 13603 14816 16003 1677		

The Bonds specified above are to be redeemed (a) at Citibank, N.A., Receive and Deliver Department, 111 Wall Street, 5th Floor, New York, NY 10043 or (b) subject to any applicable laws or regulations, at the main offices of Citibank, N.A., in Amsterdam, Brussels, Frankfurt/ Main, London, Milan and Paris. Baring Brothers & Co., Limited, London, at the main office of Citicorp Bank (Luxembourg S.A. in Luxembourg, and at the main office of the Industrial Bank of Japan, Limited. Tokyo. Upon presentation and surrender of said Bonds, together with all unmatured coupons appertaining thereto, payment will be made on June 1, 1986. Payments at the offices referred to in (b) above will be by a United States dollar check drawn on a bank in New York City or by a transfer to a United States dollar account maintained by the payee with a New York City bank. On and after the redemption date, interest on the selected Bonds will cease to accrue. The amount of any missing unmatured coupons will be deducted from the sum due. Coupons maturing June 1, 1986, however, should be detached and presented for payment

> THE WELLCOME FOUNDATION LIMITED By: CITIBANK, N.A., Principal Paying Agent NOTICE

Withholding of 20% of gross redemption proceeds of any payment made within the United States may be required by the Interest and Dividend Tax Compliance Act of 1983 unless the Paying Agent has the correct tax identification number (social security or employer identification number) or exemption certificate of the Payee. Please furnish a properly completed Form W-9 or exemption certificate or equivalent when presenting your securities.



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Castle Suite,
Caledanian Hatel,
Princess Street,
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April 29, 1986

Wednesday 30th April 12 naan

<u>Birminghom</u> Bruel Suite, Albany Hatel Smallbroak Queensway, Birmingham

Thursday 1st May 12 naan

Friday 2nd May 12 noon

<u>London</u> Nine Kings Suite, Royal Lancaster Hatel, Lancaster Terrace. Landan W12

(Immediately above Lancaster Gate tube station 👄 I

These meetings are open to the public.

tf you would like a capy of the 1985 Report and Accounts, please apply to Hawley Graup, 5 Hanaver Square, Landon WIR 9HE.



WINGATE PROPERTY INVESTMENTS plc

SUMMARY OF RESULTS

Net assets per share	137.6p	128.4p
Dividends per share	1.87p	1.70p
Earnings per share	7.22p	4.02p
Profit after taxation	996	549
Minority interests credit	4	4
Taxation (charge) credit	(12)	. 45
Profit before taxation	1,004	500
Rental income	2,214	2,166
	Year to 24.12.85 £000's	Year to 31.12.84 £000's

Wingate Property Investments plc, 6 Hobart Place, London SW1W 0HU

UK COMPANY NEWS

Lionel Barber on the contested Wedgwood bid

Unwilling Woltz partner 'restraints' ahead

audience in the eye. "This is an opportunity I promise you," he says with a strong New Jersey twang, "for the UK to keep its position as a world class player in bone china."

The 54-year-old chairman and chief executive of London Inter-national speaks with energy about his proposed £149m take-over of Wedgwood, the worldfamous bone china and earthen-ware manufacturer.

Mr Woltz is not a man to be overawed by a name. Abrasive, some say ruthless and impatient, he and his management team bave over the past six years transformed a company once best known for its Durex contra-ceptives into a broad consumer products business including photographic processing, toilet-ries and medicines and, with the September 1984 acquisition of Royal Worcester, fine china. A merger with Wedgwood would give London Inter-national around one quarter of the UK fine china market and the UK nie coins market and strong distribution and sales in the US, a key market. Europe and Japan. Moreover, it would even the balance between the still-strong contraceptive business and the fine china side.

Fine china offers London International a chance to make an impact in a market where discretionary spending is high, and to capitalise on encouraging growth over the past six years.
Since 1980, the group has boosted pre-tax profits from £6.2m to £18.8m for the year ending March 1985, and return on capital has risen from 13.4 to 28 per cent.

Back in Barlaston, near Stoke-on-Trent, headquarters of Wedgwood, such number-crunching techniques aimed to impress the City were brushed aside vesterday.

Sir Arthur Bryan, the 63-yearold executive chairman of Wedgwood and the first non-Wedgwood to run the business. sees the bid, delivered in the form of a press release, as an Impertinence.

There is only one firm that is recognised as the leader in technical design, industrial relations and marketing quality (in china) and that is Wedgwood, For 25 years onr Wedgwood. For 25 years on oosition in the world market has been so dominant," says Sir Arthur, "that for Alan Woitz to talk about creating one of the world's largest companies is in the os, where tough competition had kept prices static for three years.

For the next six months to the end of September (a traditionally slack period) interim the world's largest companies is

TMD ADVERTISING Holdings, lo its initial figures since join-ing the USM, reports pre-tax profits of £417,000 (£291,000)

from turnover of £25.00m (£20.08m) in the six months to February 28 1986. Earoings per share were 4.8p against 3.2p. Directors are confident of a very satisfactory year.

SAMUEL PROPERTIES saw taxable profits rise from £1.71m to £2.17m in the six months to

end 1985. The interim dividend is raised from 1.6p to 2p, with earnings up from 3.59p to 4.43p.

Turnover for the balf year was £7.78m £8.2m).

CLAYTON SON & Company (Holdings), engineer, returned pre-tax profits of £622,000 (£681,000) in 1985. Turnover totalled £10.97m (£13.47m). Final dividend is 5.5p. making 7p (6p) net. UK profits were £593,000 (£898,000). Associates added £29,000 (took £217,000). J. F. Thomson of Australia is no longer an associate and no returns from this source were included for 1985.

NEW AUSTRALIA Investment Trust saw net asset value fall to 103.9p per 50p share as at March 31 1986, compared with 109.9p a year earlier. Invest-

ment income for the six months to the end of March was down at £127,835 (£185,102) but interest received improved to £34,628 (£13,456).

dividends. Official indications are not available as to whether the dividends are interims or finals and the sub-divisions shown below ere besed mamly on last year's timetable.

TOOAY

TOOAY
Interims:—Burgess Products, Redlesrn Nauenel Gless, Wast Yerkshira
Independent Hespits!
Finate:—Bardeey, Zarhsm, Zlue Circle
Industries, First Charlotte-Assets Trust,
Cecil Gee, Jacques Vert, Ropner,
Termac, Toots! Yule Catto.

FUTURE OATES

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(3p) net.



Mr Alan Woltz, chairman of London International

inane observation. It is quite ludicrous." Sir Arthur, who has spent 37 years with Wedgwood, is naturally disdainful about the ambitions of London International which only entered the industry 18 months ago. Volume at Wedgwood, for example, is 10 times that of Royal Worcester; as for London International's forecast of a minimum £3m pre-tax profit for Royal for 1985, Sir

For 25 years Wedgwood's market position has been dominant

Arthur responds: "Some of Wedgwood's own divisions will make substantial advances on last year and exceed that

Stripping away the emotion, Wedgwood's financial perform-ance over the past few years has been a little less impressive tban its name. In July last year the group declared pre-tax profits of £15.1m on £146.4m sales, But the £4.5m profit in-crease obscured a fall in profits in the US, where tough com-

COMPANY NEWS IN BRIEF

WADKIN, engaged in wood ENSIGN TRUST net asset E. UPTON AND SONS, depart working machioery, iocurred 3 value per share increased to ment store operator in North-£566,000 loss in second six 152.77p (120.2p) for the six east England, cut its pre-tax-months and for 1985 year ran months to March 31 1986. losses from £386,000 to £202,000 up a £380,000 pre-tax deficit Earnings per share are shown in the 52 weeks to January 28.

up a £380,000 pre-tax deficit Earnings per share are shown in the 52 weeks to January 28 (profits £47,000). Turoover as 0.78p (0.87p) on after-tax 1986. Before an exceptional totalled £35.3m (£34.13m). Loss revenue of £1.08m (£1.18m). debit of £63,000 against £13,000. per share 8.65p (0.77p). No Interim dividend, as known, is that dividend (1n) making in 0.4n (5.2mg)

MARLBOROUGH PROPERTY

Holdings raised pre-tax profits from £487,000 to £528,000 in 1985. Attributable profits were £578,000 (£473,000) and earn-

ings per 5p sbare came to 1.99p (1.96p). The final dividend is 0.375p for a 0.6p (0.55p) total.

Net rental income was £1,22m

A £14m rights issue last November, designed to cut borrowing and accelerate invest-ment, also attracted criticism

in the City.
According to Mr Woltz, both Royal Worcester, Wedgwood and other British pottery manufacturers bave still to recover fully from the mistakes they made in the 1970s when volume

made in the slackened.
"They simply raised prices."
says Mr Woltz, "and the result was a gradual loss of market share." In Mr Woltz's analysis, British

earthenware manufacturers failed to treat their tea cups, plates and pots as consumer branded products. They based their prices on factory produc-tion costs and failed to use flexlble pricing to counter static or falling demand. He hopes that his arguments

on cost savings arising from a merger sway City institutions who hold around 70 per cent of Wedgwood.

Yesterday, in what must have been a numbing blow for Sir sharebolder, Mercury Warburg Investment Management, sold a 9.9 per cent stake to London International and pledged to accept or procure acceptances for a further 14.9 per cent, providing there is not another, higher, offer,

The Warburg sale has prised open Wedgwood. The Wedgwood wood's family shareholding. amounting to an 8 per cent stake, looks far less of an

Mr Woltz, therefore, has the look of a confident man. Last year, three London Inter-national non-executive direc-tors—including the chairman Mr Donald Seymour and Mr Lampard, partner at Ashurst, Morris-Crisp & Co, the company's legal adviser—resigned after a majority board decision to allow Mr Woltz to become

chairman and chief executive. Mr Lampard raised questions about Mr Woltz's \$324,356 salary and some £51,000 business and travel expenses. Mr Woltz is still in situ, with a board which is, in his words, "functioning beautifully." As Sir Arthur Bryan will

doobtless discover in the coming weeks, Mr Woltz is a man who has a habit of getting his own way.

from office and warehouse rt-organisation. There was an

extraordinary credit of £10,000 (debit £51,000), and this was profit on the sale of freehold

properties. The directors say the

year-end figures reflect a further improvement in the trading

position, resulting from substan

tial costs reduction.

Menzies warns of

day reported a 14 per cent rise in taxable profits to £19.5m for the year ended February I 1986, but warned that the current trading year would be restrained by two factors.

These are the consequences of the introduction of new technology to Fleet Street, and by the costs of establishing Early Learning's chain overseas Early Learning is the educa-tional toys group bought last May for £8.44m.

The directors say that "if these factors are understood, the company's results should be

They expect Early Learning, which currently has 108 shops, to increase to 140 by October, in time for Christmas trading. It will also open 10 centres in

the US in the year.

Turnover In 1985-86 rose from £505.3m to £546.9m.

Retail, Early Learning and Universal office supplies did particularly well, say the divertors

Goodwill of £8.9m—princifrom 0.745p to 1.07p.

A second quarter dividend of consistion—has been charged 0.475p makes the six-month against reserves. The complete the consistion of the complete the com pally on the Early Learning acquisition—has been charged against reserves. The comagainst reserves. The com- total 0.9 pany paid £0.6m in interest, 0.8625p. against £2m.

• comment

The market's approval of John Menzies' slightly disappointing results is difficult to understand. Although Menzies supplies the market with the bare minimum of infarmation, the conspicuous £20,000: (£76,000), interest absence of the important districtanges were £1.7m this time,

John Menzies, the newsagent, bution division from the list of bookseller and stationer, yester-day reported a 14 per cent rise ominous. The strike at News in taxable profits to £19.5m for International can scarcely be to blame for poor distribution profits as it affected only the last week of the year. However, its impact on the current year may be serious, and cost more than film in terms of more than film in terms of pre-tax profits. Meanwhile, the Early Learning acquisition seems to be powering ahead, and is already more than covering financing custs. However, Mennies plans to expand the chain aggressively in the UK and in the US, the costs of which will hold back Early Learning's profits for the next couple of years. Given Menzies' dependence on uncertain whole-saling and its flattish short-term prospects, the company is prospects, the company is appropriately rated at a discount to the stores sector. Assuming profits this year of £21m the shares at \$38p are on a p/e of 14.

particularly well, say the directors.

The dividend for the year is improved from an adjusted raised from 3.375p to 4.05p 62.5p to 79.6p at March 31 1986, with a final of 2.7p (2.25p). compared with an adjusted After tax at 28.4m (27.9m) 82.5p a year earlier and stated earnings per share came to (adjusted) earnings per share of this investment trust were up from 0.745p to 1.07p.

Pre-tax revenue for the six months to the end of March progressed from £4.64m to £6.18m. Dividend income was considerably higher at £8.02m (£4,48m), and interest received was £389,000 against £554,000. Underwriting commission was

SARAKREEK HOLDING N.V.



Invitation" Shareholders are invited to attend the Annual General Meeting of Shareholders. This will be held on Tuesday, May 20, 1986 at 11.00 a.m. in the Amstel Hotel, Prof. Tulpplein 1 in Amsterdam.

A complete agenda for this meeting as well as a copy of the Annual Report and Accounts for 1985 are available at the head office of the Company and from J. Henry Schroder Wagg & Co. Ltd., 120 Cheapside, London EC2V 6DS.

The agenda contains among other things:

Management Report over 1985
 Approval of Annual Accounts

• Fixing of the dividend Nomination of Board members Proposal to after the Company Articles

 Designation of the competent corporate body to issue shares

· Authorization to acquire shares in the

To be in the position to attend the meeting; ... shareholders have to deposit their shares at the latest on May 15 at the bank mentioned before. The deposit certificate also serves as admission ticket.

Amsterdam, April 29, 1986 The Management Board

29th April, 1986

75 (1) 75 (1) 37 (1)

costs resulting

This advertisement complies with the requirements of the Council of . The Stock Exchange of the United Kingdom and the Republic of Ireland.



Can.\$75,000,000

91/2% Secured Notes Series AW 1993 due May 15, 1993

Issue Price 10034%

The following have agreed to subscribe or procure subscribers for the 91/2% Secured Notes Series AW 1993 (the "Notes"):

Orion Royal Bank Limited

Bank of Montreal

BOARD MEETINGS Banque Générale du Luxembourg S.A

Daiwa Europe Limited

First Interstate Capital Markets Limited Lévesque, Beaubien Inc.

Merrill Lynch Capital Markets

Société Générale

Westdeutsche Landesbank Girozentrale

Yamaichi International (Europe) Limited

Banque Bruxelles Lambert S.A.

Banque Paribas Capital Markets Limited

Dominion Securities Pitfield Limited

Girozentrale und Bank der österreichischen Sparkassen Aktiengesellschaft McLeod Young Weir International Limited

Rabobank Nederland

S. G. Warburg & Co. Ltd.

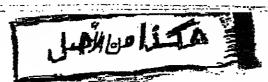
Wood Gundy Inc.

Yasuda Trust Europe Limited

Application has been made to the Council of The Stock Exchange in London for Notes in denominations of Can.\$1,000 and Can.\$10,000 constituting the above issue to be admitted to the Official List, subject only to the issue of the temporary Global Note. Interest is payable annually in arrear beginning on 15th May, 1987. Listing particulars of the Notes and the Issuer are available in the Extel Statistical Service. Copies of the listing particulars relating to the Notes may be obtained during nurmal business hours up to and including 1st May, 1986 from the Company Announcements Office of The Stock Exchange and up to and including 13th-May.

> Orion Royal Bank Limited, 1 London Wall, London EC2Y 5JX

Kitcat & Aitken & Co., The Stock Exchange, London EC2N 1HR



FT LAW REPORTS

Buyers with risk but no title cannot sue

LEIGH & SILLAVAN LTD v
ALIAKMON SHEPING CO
LTD
House of Lords (Lord Reith of
Kinkel Lord Brightman, Lord
Griffiths, and Lord Ackner);
April 24 1986.

WHERE THE risk in goods where The risk in goods has passed to prospective buyers on shipment under a c & f contract and the cintract is then/varied so that right of disposal and the property remain with the sellers on transfer of shipping documents a subsequent sala ex-warehouse to the original buyers does not en-

The House of Lords so held when dismissing an appeal by the buyers, Leigh & Sillavan Ltd, from a Court of Appeal

in South Korea; and a bill of lading was issued incorporating. The Hague rules. The larties then agreed to vary the original

then agreed to vary the diginal contract.

The sellers, despite relivery of the bill of lading to the huyers, were to reseve the right of disposal of the goods; the buyers were to preent the hill of lading to the ship at Immingham and take delivery of the modes as agent for the of the goods es agent for the sellers; and, after lischarge, the goods were to be stored in a warehouse to the see order of

The buyers did not acquire fines of an ordinary contract contractual rights of suit under the hill of lading because the property had not passed. Hence property had not passed. Hence their attempt to establish a separate claim against the separate claim against the showners founded in the tort of realist within the contract of sensit within the contract of sensit within the contract of sale. The Sale of Goods Act 1893, which applied to the present contract, was a complete code of law in respect of contracts for the sale of goods. of negligence.

There was a long line of anthority for the principle that a person, to claim in negligence

a person, to claim in negligence for loss or damage to property, must have had legal ownership or possessory title when the loss nr damage occurred.

None of the cases in thet line of authority concerned a claim by c & f or cif buyers to recover when the risk but not the property had passed. Howevar, the question whether such a claim would lie came up in The Wear Breeze [1969] up in The Wear Breeze [1969] I QB 219 where it was held that the huyers were not entitled to recover in tort for negligence.

decision dismissing their claim against shipowners Allakmon. Shipping Co Ltd fir damage done to goods on board the Allakmon.

[A"c&f" contract is one in which the price covers the est of goods and freight.]

LORD HRANDON said that by see & f contract made in luly 1976 the buyers agreed to buy steel coils to be shipped from Korea in Immingham.

The goods were loaded on board the Allakmon at Inchon in South Korea; and a bill of lading was issued incorporating.

perty, or to tender services to the property. By contrast buyers under cif mr c & f contract were

under cif nr c & f contract were prospective legal owners.

That difference existed, but made no difference to the principle of lew to be applied. In all the cases the plaintiffs complaint was that hy reason of contracts with others, loss of or damage to properly to which they had no proprietary nur possessory title had caused them to suffer loss. The fact that cif or c & f buyers were destined to acquire legal ownera warehouse to the see order of the sellers.

When the ship arrived at Immingham the buers carried out the contract as varied. On discharge the good proved to be in a damaged ondition.

Sobsequently the huyers hald for the goods. After certain claims for alleger defects had been settled. The legal ownership was ship, which had remained in entitled to sue in tort for neglithes the sellers due o reservation gence without joining the legal

DINMUTZ

because of the original c & f proposition, it was extremely contract, and there was nothing doubtful whether equitable in the new terms which caused interests in goods could he it to revert to the sellers.

Ground 3: that the law of negligence had developed significantly since 1969 when the Wear Breeze was decided.

Mr Clarke relied principally on the speech of Lord Wilberforce in Anns v Merion LBC [1978] AC 728, 751-752 where

he said that in order to establish thet a duty of care arose
"First one has to ask whether
there is a sufficient relation-

there is a sufficient relationship of proximity. Secondly
whether there are any
considerations which ought to
negative, or to reduce or limit
the scope of the duty."

In The Irene's Success [1982]
OB 487 Lord Justice Lloyd said
with regard to the second question that a possible ground for
excluding the duty of care in
the case of a cif buyer might
be if it enabled him to sidestep
the carrier's contractual exceptions including rights and
immunities, but his tentative
view was that "it would require
a much stronger argument of a much stronger argument of policy for the duty of care . . . arising out of so close a reletionship as . . . between a carrier and a cif buyer to be excluded." and a cif buyer to be excluded."

In The Nea Typi [1982] 1

Lloyd's Rep 608 Mr Justice
Sheen indicated that had it been
necessary he would, in relation
to the question of title to sue,
have followed the Irene's
Success rather than the Wear

Lord Wilberforce was dealing with the existence end scope of a duty in a novel type of factual situation. He was not suggesting that the same approach should be adopted in a factual situation where such

a factual situation where such a duty had repeatedly been held not to exist.

Mr Clarke submitted that a duty of care did exist in the present case, but that it was subject to the terms of the hill of lading.

With regard to that suggestion Sir John Donaldson had said in the Court of Appeal ([1985] 2 WLR 289, 301) that carriage by sea under the Hague Rules was "an intricate blend of responsibilities and liabilities...rights and immun-

the goods to the shipowners on terms of a usual bill of

The theory was unsound. The only hailment was by sellers to shipowners on the terms of a usual bill of lading incorporating the Hague Rules. Those terms only had effect as between sellers and shipowners. Ground 4: that any rational system of law would provide a remedy for persons who suffered the present kind of

loss.
English law did provide a remedy. The buyers if properly advised should have made it a term of the variation that the sellers should exercise the right to sue for their own account or assign such right to them to exercise for themselves. If either of those precautions had been taken the law would have provided the buyers with a feir and adequate remedy for their

loss.
Ground 5: the judgment of Lord Justice Robert Goff in the Court of Appeal (that the shipowner owed a duty of care to the buyers but had not committed any breach of that duty—pp 281, 236].
Lord Justice Robert Goff said there was no good reason in

Lord Justice Robert Goff said there was no good reason in principle or policy why the c and f buyer should not have a direct cause of action on the basis of a principle which he called "the principle of trans-ferred loss."

That principle was incon-

That principle was inconsistent with euthority. All five grounds on which Mr Clarke relied were rejected. The Wcar Breeze was good law when decided and remained good law. The decision in the Irene's Success was wrong and the observations in the Nea Tyhi with regard in it should be disapproved.

The appeal should be dismissed.

missed. Their Lordships agreed

11 Discount for box-setting (9)
12 String-pulling in the platform? (9)
13 At home, pet-taining can be
awkward (5)
14 Bats at the weket all there
(6)
(8)
9 Overdrawn, promissory notes are abhorrent (6)
16 Canvas shelter show up as experimental? (9)
17 It shows how far 'e motored, possibly (8) Their Lordships agreed.
For the buyers: Anthony
Clarke QC ond Nigel Tears
(Anthony King & Co).
For the shipowners:
Nicholas Phillips QC ond
Jonathan Sumption QC (Holman Fenwick & Willan).

By Rachel Davies Barrister



20 Trip in explosive weapon (7)
21 Underline importance (6)
23 Expensive fiddle over game

4 Ran back with

(6)
15 Desiroy or educe threats
(7)

15 The street at the weeker at the street at the

recount (7)
6 Come! a noble union is made

very rarely (4, 2, 1, 4, 4)

7 Musical chairs? (5)

8 One in false smile to make alcohol unfit for drinking

Europe's Business Newspaper

A Financial Times Survey EAST ANGLIA TUESDAY 17 JUNE 1985 For further details, please contact: COLIN DAVIES on 01-248 8000 ext 3240 or write to him at: LONDON EC4P 4BY Financial Times

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In the present case what had nrightally been a usual c & include to suit in the supported. Where a proposition could not be supported. Where a with the sellers, had impliedly contract had been varied to title he was entitled by virtue the goods to the shipowners on the concept of ballings.

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time with pod books (9)
25 Finish of small mount in
Aintree, prhaps (9)
26 Lady-love with bad back (5)
27 Feel biter about penny
deducted rom offer (6)
28 Dishes t'at knock us out?
(8)

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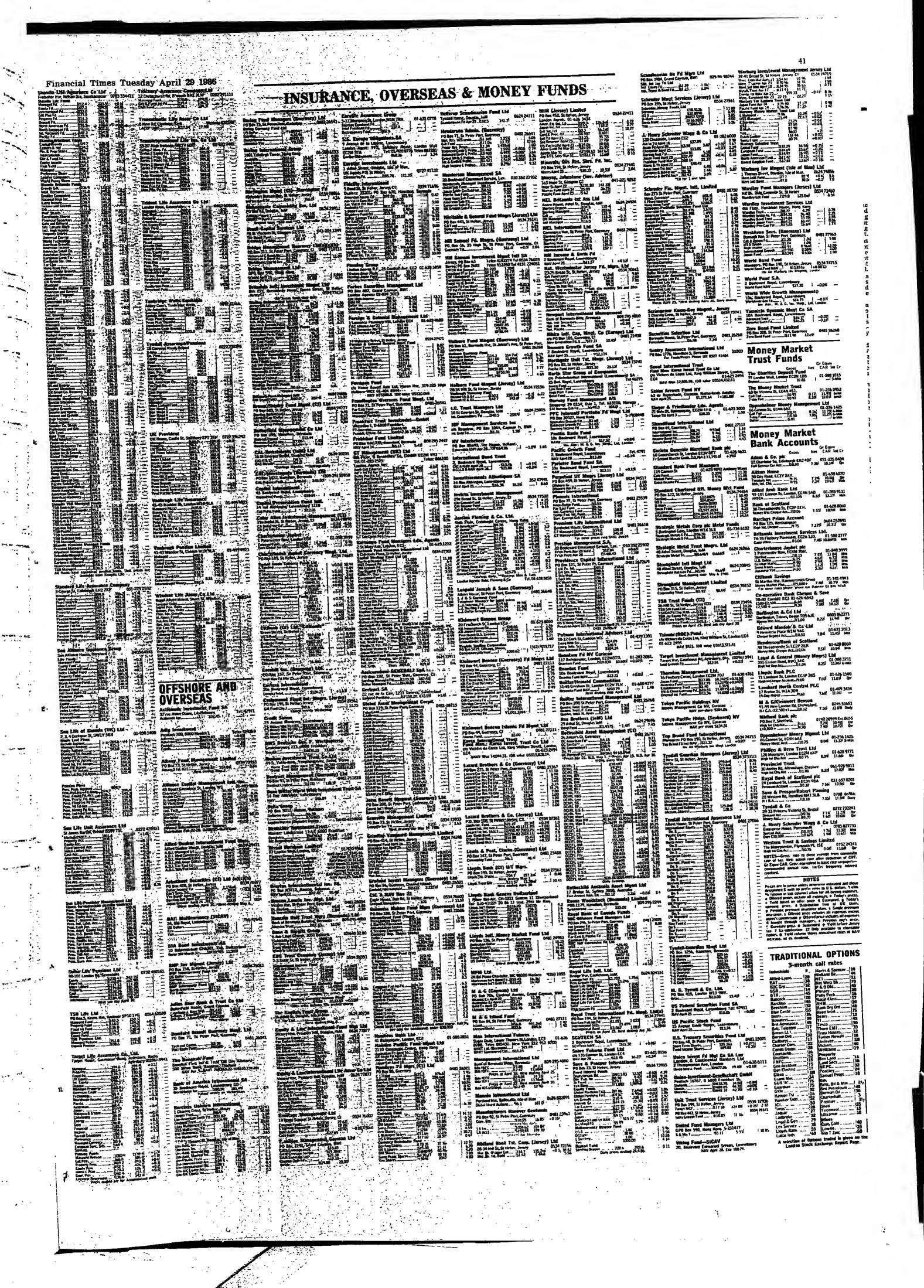
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مكنا موالزهال



HEATING OIL 42,200 US cents/US gallons

Alloy 44.77 45.15 41.46 4 1.46

SILVER 5,000 tray az, cents/troy

Close 502.5 502.5 505.5 506.6 514.8 524.0 527.2 533.2 539.3 548.7

WORLD

CHICAGO

EIVE CATTLE 40,000 lbs, Conts/lbs

Close High Low - Pm April 53.32 54.00 51.50 53.30 June 54.20 64.50 53.30 54.6 Aug 81.57 52.10 61.07 55.7 Oct 51.17 51.27 50.70 50.3 Dec 52.65 52.57 52.38 52.3 Feb 53.00 53.20 52.55 52.3 LIVE HOGS 30,000 bs. Certa/196.7

MACZE 5,000 bu min, cents/56 lb-b

LONDON

MARKETS

STERLING'S firmness against

the dollar put most metal

prices under pressure on the

London Metal Exchange yes-

terday. Cash higher grade copper dropped £6,59 to close at £925 a tonne, while lead, which has been declining

steadily for the past few weeks under the influence of chronic over-supply, reached a

chronic over-supply, reached a new 10-year low of £237.75

EEC reaches partial sugar deal

BY CANUTE JAMES IN KINGSTON AND ANDREW GOWERS IN LONDON

AFRICAN. Caribbean Pacific sugar exporters have producers. reached a partial compromise

sters from the EEC and the £700,000 extra. But the company ACP group agreed at a week- will be able to offaet all the end meeting in Barbados to a additional cost as a result of 1.33 per cent increase for sugar chaoges in its monetary arra to be supplied to Europe under ments allowed by Brussels. to be supplied to Europe under the Lome Convention between this month and June. The increase for sugar already supplied in the first nins months of the delivery year will be 1.15 car cent.

per cent.
The ACP producers, which have a sales quoto of 1.3m tounes a year, bad argued for a 1.33 per cent increase for all the year's ahipments on the grounds that this was the in-

The agreement to raise the the UK-based sugar refiner Following 10 months of which buys most of the ACP acrimooious negotiations, mini-exports, between £670,000 and chaoges in its monetary arrange-

the timing of ACP shipments, for example, but is unlikely to involve cash payments.

The European Commission

bas also agreed to review the ducer which therefore ships all whole question of profit its sugar early in the delivery

and had awarded to its domestic margins in the cane sugar year, it does not stand to gain Apart from Mauritius, the

exporters were putting a brave face on the settlement. "In the end perbaps this was the best possible way of resolving the issue," said on Caribbean dslegate. "We had argued over this for so long and from such entrenched positions that meeting each other in the middle was clearly the only way out.'

However, Mauritius, the group's biggest sugar exporter, reserved judgement on the settlement, saying it needed time to study its implications. As a southern hemisphere pro-

refining business, which are set as much from the agreement considerably lower than those as the Caribbean exporters. Its settlement with the EEC oo the price for the last three months for heet sugar. But it is unclear objections to the deal are price of raw cane sugar sold to of the delivery year will whether this will actually serve understood to be serious, and the Community this delivery theoretically cost Tate & Lyle, to improve Tate's situation. to its implementation.

However, there wae still some concern in the ACP camp that the group bad failed to reassert a fundamental prin-ciple, namely that its producers should obtain the same in-creases as do those in the Community. This issue seema bound to crop up again in negotiations beginning next month over prices for the next delivery year.

"Ws bave always argued that the Community is dis-criminating if it does not give us the sams levels of increase which it gives its domestic producers," said a Caribbean

London rubber index futures launched

it will trade on the basis of casb

contract on a commodity price index, though the basic idea of index futures is not new; the Baltic International Freight Futures Exchange, for example. currently offers two freight

Supporters of the new con-tract hope it will provide a unified hedging medium for an industry which has to cope with

which are graded on a more scientific basis.

TSRs have become more popular among US tyre manu-facturers, for example, but bedging them against RSS 1 rubber can be risky because prices of the two types of rub-ber do not alwaya move together.

RSS production bas fallen sbarply over the past few years, and trading activity bas become concentrated in Singapore, closs to big producing countries like Malaysia and Indonesia. The London market also suffered from problems with physical deliveries under its previous contract, and these tended to deter apeculators from involve-

Under the cash settlement system, such difficulties will not arise, and the new contract has been framed with investors as well as trade bedgers in mind. Because the ruhber index is traded by telephone rather than on a market floor, it should also be relatively simple and inexpensive to run, according

Terminal Market Association, rose from £539 a tonne in early which has set up the new con- December to £651 in midtract in conjunction with the Rubber Trade Association.

Mr Hecks pointed out the five grades of rubber covered by the index represent the most widely-used varieties. "If you're bedging against the index as a consumer, you're bedging a grade that you're almost certainly using," he said.

However, London will continue to face stiff competition from the Far East. The Singapore market is considering launching a contract in a TSR, probably Standard Malayslan Rubber 20, in the next few months. The Knala Lumpur Commodities Exchange also recently introduced a futures contract in SMR 20, but trading activity bas been thin.

activity bas been thin.

The index market may also suffer from lethargic initial trading conditions during the summer, although officials point to the considerable volatility of rubher prices during the first few months of this rear when the continuer index.

Fehruary.

Yesterday the spot index was quoted at £534 a tonne, and trading volume in the future contract totalled 73 lots. Trading in the new contract being cleared through the International Commodities Clearing House, which already provides such services to the London Commodity Exchange

among others. The index is worked out in aterling by the Rubber Trade Association of London on the basis of exchange rate quotations provided by Standard Chartered Bank

The five grades of rubber involved are: Rubber Association of Singapore RSS1:

Tea demand good

DEMAND at yesterday's weekly London tea auction was des-cribed as "fairly goor" by the slightly lower at 105p against

Quality teas 190p compared with a nominal average of 198p last week, but Cash dealers said this was more a reflection of a change in the variety of teas available than an accurate indicator of price Among the 677 lots on offer

a
0,77
48
5,31
6,13
3,95
i,C
8,00
5,

LONDON'S rubber trade yesterday launched a futures contract based on a rubber price index in a bid to attract busi-ness back from the Far East. The index, which is based on five grades of rubber traded io Siogapore, Kuala Lumpur, Tokyo and London, is intended to replace the Loodon contract in deliverable RSS (ribbed amoked sheet) rubber which ceased trading last November. Unlike its predecessor, however,

aettlement only.
This is Loodon's first futures

bewildering range of grades and specifications for rubber. It ia also designed to take account of the shift in consumer pre-ferences away from RSS rubbers to so-called technically to Mr Pat Hecks, secretary of year, when the spot index — specified varieties (TSRs), the 32-member London Rubber published since early 1985 —

Brazil rejects

BRAZIL yesterday flatly rejected suggestions that its coffee export quota should be

reduced as a result of the drought which has cut its 1986 coffee crop by about balf.

On the opening day of an International Coffee Organisa-tion council meeting, Mr Paulo

Graciano, president of the Brazilian Coffee Institute, said

his country could not accept that current export perform-

ances could be used as a criterion for working out

The current formula for distributing export quotas ex-pires at the end of September,

and ICO members need to negotiate a replacement over

the next few months. Brazil,

which bas a world market share

settle for less. Meanwhile, the US coofirmed

at yesterday's session that it would remain a member of the

International Coffee Agree-ment, and would seek imple-

menting legislation from Congress to this effect. Its deci-

market shares in the future.

odities Staff

flatly

quota cut

By Our Comm

US to boost cotton sales

BY NANCY DUNNE IN WASHINGTON

support programme announced by the Department of Agricul-

priced growths quoted for middling (M) 132 incb cotton cif northern Europe. Adjust-ments will be made each Thursday after 4 pm Eastern

Standard Time.
US farmers will be given loan supports of 55c a pound. However, as long as the world price is lower, they will only bave to repay the Government of about 30 per cent, is likely to come under pressure to 44c a pound. In addition, exporters will be given a subsidy for the difference between the world price and the 44c in the form of a marketing certifi-cate, which can be redeemed for cotton from Government stocks. ernment will have about 9.5m cotton competitive with man-bales of cotton in stocks this made fibres, and the resulting summer. About 6m bales can products may be better able to easily be spared for redemption compete with foreign textiles. sion to stay in follows an in-depth study by the Reagan

ADDITIONAL SUPPLIES of cotton are likely to flow on to the world market as a result of new rules in the 1986 US price of world demand.

Under the scheme. These will enter a world market carrying over 50m bales, about two-thirds of world demand. World cotton trade has been

support programme announced by the Department of Agriculture late last week.

With cotton export plummeting, USDA is bent on meeting the world price. It announced a formula last week for figuring the world price every week, hased on quotations for the preceding week for the five lowest-reding week for the five lowest-USDA said. The USDA is estimating

world production for 1985-86 at 77.5m bales, down 11 per cent from last year's record crop.

Most of the decline is in foreign production. Lower output is expected this year in China, more than offsetting increases forecast for India, Pakistan and a number of smaller producing countries.

A USDA official said the lower US price of cotton will boost the prospects of the American textile industry. Foreign raw cotton has been limited by import quotas, so US mills may now buy American

London 60 ner cent Malaysian Centrifugal Latex, in drums.

By Our Commodities Staff Tea Brokers' Association, with the average price of medium-quality teas steady at 152p a kilo and that of low mediums

108p last week.

higher, plainer aorts generally LONDON METAL EXCHANGE WAREHOUSE STOCKS

brighter Assams were mostly

auvet.	1 20,000 to 30,150,00
Silver	(ounces) +36,000 to 38,798,00
Zinc	+7,950 to 46,07
Tim	-1,015 to 60,95
Nickel	-624 to 6,13
Lead	-200 to 65,30
Copper	-1,450 to 132,87
Aluminium	-3,625 to 150,17
	(tonnes)
	Friday)

The long winter of discontent

THE LAST 12 months bave been among the most difficult for farming of any sequence I can remember. The 1985 spring was late and cold, and theo the summer was sunless and wet-most inimical to grazing and cereal development. I had the worse lamb fattening season for years and grain yield and quality were both rock bottom. Autumn sowing was not too bad, but was followed by an eight week drought which prevented the development of many crops and delayed germination of others. January was wet and mild and I began to feel more bopeful. But the February cold spell was only slightly relieved in March, and until last Satur-day April bad been more like harbinger of spring.

The result is that there is almost nothing good to say about the state of any crops and stock, and I believe the situation is much the same throughout the UK. Even in the south west of England only areas with-in a few miles of the sea like the South Hams of Devon show any sign that spring ia less than a mooth late. During a journey to Cornwall 10 days ago I saw no cows grazing the pastures and the sheep seemed to be having a job to find enough grass to keep their lambs going. Quite a large area of the

wheat sown last autumn seems to bave doubtful prospects. This

is particularly so on some of the

field which came out of the

frost very thin, but in spite of

a dressing of nitrogen seemed

patience, ploughed it up and resowed it with barley.

The autumn sown harley does appear to have wintered a little better than wheat, and the best developed crops I have seen are of this apecies. They are usually sown first and may have had a better atart before the drought set in. The varieties commonly used originated ties commonly used originated around the Baltic and I can only conclude that they are used to the conditions. I planted none this time, as they bave seemed in the past to be

FARMER'S

VIEWPOINT

By John Cherrington

very vulnerable to a dry spring which is the usual problem at which is the usual problem at this time of year.

My spring sowing has been a very bit and miss affair. It started shout March 6. The first sboots appeared exactly four weeks later—a good two weeks longer in emerging than I would have expected in a I would have expected in a normal spring. However, once up, the first field is growing well and is a welcome contrast to the wheat, which seems to have been standing atill for weeks. In this case, I am able to accept the hindrances of I believe there is now enough

molsture in the soil to give the barley a good start should the to be actually gettiog even temperature ever rise, thinner. Last week I lost The lack of warmth

ing back the grass, and I am feeding the ewes beavily to make aure the lambs get as much milk as possible. Sheep in general thrive on sbort grass but it needs to have more life in it than is apparent at the moment. The drought and frost killed 50 acres of autumn sown grass which would have produced a lot of good early feed in a normal year. So I am feed in a normal year. So I am relying on permanent pasture which is generally not quite so productive but certainly mure

winter hardy. This situation bas been compounded by a very heavy lareb crop probably due to the dry conditions when the ewes were mated and their generally thriving condition at the time. Thanks to the wet 1985 summer, most dairy farmers have good stocks of silage to see them through, but some bave told me that their time-table for silage making this year looks like being set back quite badly.

There must be a question strongest in July.

Dark over oilseed rape. Some It really is all a matter of mark over oilseed rape. Some crops have survived the winter constant storms which make quite well but in others there to 70F starting now would make cultivation impossible, because are large areas of brown frosted an enormous difference both to are large areas of brown frosted from which new material growth is emerging very slowly indeed. I saw some last week which I would have ploughed

with 20 plants to the square metre he was told that be should be all right. One of the benefits of the heavy seed rates fashionable these days is that you can afford to lose a fair few plants and still get a crop. Potato planting both for earlies and main crop has been much delayed and this is reflected in potato futures, which has been an exception among the mostly moribund UK commodity markets. It is show-ing signs of life as traders believe there may be a shortage next April and May.

But although the winter and spring bave been difficult and expensive, and the crops are all backward, it is far too soon to make a indgment as to the performance of farming in 1986. The wheat crop is problematical but the damage that iematical but the damage that can be seen on the lighter lands could even now be more apparent than real, and the affected acreage not very large. Now that dairy farmers are over quota they will not lose much sleep if the customary spring flush does not happen immediately. Nor will the annual flush of fat lambs come quite so soon in late May and quite so soon in late May and early June. This is particularly frustrating because New Zealand early lambs have been beld back by a strike, they will prohably arrive just when our surge of output is at its

temperature. A fortnight at 65F growth and to this farmer's peace of mind. I still put my faith in the British climate, in The lack of warmth is hold- up, but the farmer said that farming for more than 50 years.

SILVER

Silver was fixed 1,05p an cance lower for agot delivery in the London ballion market year-day at 330.0p. UZ cent equivelents of the fixing levels

SILVER Bullion + or LMLE. par Fixing p.m. troy oz Price Unoffici

RUBBER

PHYCICALS — The London market opened easier, attracted very little interest throughout the day and closed quest and easier, reports Lewis ond Past. Closing prices (buyers): apot 54.80p (86.00p); Jans 52.75p (54.25p); July \$2.75p (54.25p). The Kust Lumpur fob price (Melaysian cents par kg): RSS No. 1 was 197.0 [188.0) and SMR 20 182.5 (182.0).

FUTURES — ladex 534. June 515-630, July-Sept 516-530. Oct-Dec 516-518, Jen-March 526-528. April-June 543-545, July-Sept 546-560. Seles: 73.

INDICES PRECIOUS METALS closed mixed around unchanged levels with sliver continuing

REUTERS April28 Apr. 28 M'th ago Year ago 1781.8:1783.5 1791,9 · 1877,1 DOW JONES

Dow | April | April | Month | Yest Jones 24 | 25 | ago | ago

Spot 129.57 128.91 - 118.50 Fut 124.98 124.37 - 123.07

MAIN PRICE CHANGES

a tonne (cash), down £2.75. This is more than £25 lower than its level et the turn of In tonnes unless atherwise stated. the year. On the London Com-Apr. 28 + or Month modity Exchange, cocos futures tumbled to a new three-year low during the day, but edged upwards in late trading to close £18.50 down from Friday at £1,315.50 a tonne in the July position. Dealers said both the funda-mental and the technical ont-look remain bearish, with West African producers con-Palladism Platinam oz Pulcksilvert ... West African producers continuing to sell cocoa into a declining market. Robusta coffee futures eased in quiet trading to close in the July position at £2,287.50 a tonne, down £31.50 on the day.

LME prices supplied by Amalgamated Motal Trading.

ALUMINIUM Official closing (em): Cash 754-5 (758-8.5), three months 748-8.5 (754-5), settlement 755 (758.5). Final Kerb 5), settlement close: 753-4.

Unofficial + or close(p.m.) -£ per tonno

Turnover: 15,200 tonnes.

COPPER

Official closing (am): Cash 929-9.5 (928-8.5), three months 943-3.5 (943-3.5), settlament 929.5 (928.5). Final Kerb close: 936-6.5. figher grade Unoffic'i +or High/low

LEAD Official closing (am): Cesh 238-9.S (240-40.5), tures months 248.5-6.75 (247.5-8), settlemam 239.5 (240.6), Final Kerb close: 243,

Cash 237.5-8 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | -2.75 | Turnover: 8,025 tonnes. 18.50-20 cents per pound.

KUALA LUMPUR TIN MARKET: Close NICKEL

Official closing (am); Cash 2595-600 (2620-30), three months 2640-1 (2630-4), settlement 2600 (2630). Final Kerb close: 2610-20.

Official closing (am): Cash 430-30.5 (432-3.5), three months 441-3 (444.5-5), settlement 430.5 (433.5). Final Kerb close: 435-6. Unofficial + or close(p.m.) -

months 424.5-5.5 : -7.78 450.8/450 months 436-6.5 : -7.28 443/438

GOLD

Gold fall \$4, to \$3442-345 on the London bullion morket yesterday. The metal opened at the day's peak of \$345-3452, and was fixed at \$344.40 in the morning and \$343.15 in the sternoon. The motal touched a low of \$3422-343, reflecting weakness in New York, which was reversed before the London close. The degreesed dollor had little influence on the market. Close....... \$344\g.545 Opening... \$346\g.545\g. (£221\sq.921\g) Win'g fv. \$344.40 Art'n'n fix \$343,15 (£222.841)

GOLD AND PLATINUM COINS

ware: squivelents of the fixing ware: apor 509.6c, up 2.45c; month 517.65c, ap 2.65c; six-up 2.35c. The metal opened a 528c, up 2.65c; and 12-month 6 ap 3.25c. The metal opened a 3302c (510-512c) and closed et 3282p (508-510c).

LME-Turnover: 30 (1) lots of 10,000

COTTON

LIVERPOOL—Spot and shipment sales for the week commencing April 21 amounted to 472 tonnes against 859 tonnes for the previous week. Fair operations with interest in

US MARKETS

to attract the most negative sentiment on technical factors

and breaking through recent support levels in thin volume. A largely non-committal per-formance on the oil markets saw early gains taken back following an unsuccessful technical attempt . . levels. weakened in line with further selling in London. Cocoa lost further ground to hit contract lows, as spill-over self-ing triggered stops on the downside. Rumours of indownside. Rumours of increased offerings from the Ivury Coast persisted and depressed the market further. Sugar suffered a setback with disappointed liquidation on the lack of physical newscited as the main factor. A tone of caution prevailed on the coffee market, as a weaker show in London appeared to dampen much of the enthusiasm of the pre-

NEW YORK

* Unquoted. † Per 75 fb flack. c Cents pound. v May. y April-May. w Jaco. Mey-June. 2 July... * Cotton outlook.

103,40; +0,10; 189,50; +9,50; 103,30; -0,26; 184,00; -0,10; 184,00; -0,10; -0,20; 184,00; -0,10; -0,20; -0, Pigmeet sales: 55 (0) lots of 50 arcases, 3.250 kg.
Beet sales: 20 (9) lots of 20 sides.
MEAT COMMISSION—Average fat-

COCOA

1351-1332 -10.0 1846-1315 1315-1316 -18.5 1224-1510 1338-1338 -14.5 1745-1865 1368-1369 -21.0 1860-1868 1368-1369 -21.0 1860-1868 1394-1396 -24.c 1405-1883 1441-1412 -24.c 1422-1412 1415-1430 -30.0 1488-1452 3,759 (4,560) lots of 10

COFFEE

Seles: 2,172 (4,031) lots of 8 tennes. 1CO indicator prices (U2 cents per pound) for April 25: Come daily 1979 194.77 (197.32); 15-dey average 190.88 (190.47). SOYABEAN MEAL

2 0eF tonne 125.0-725.5 | -1.18.125.7-125.0 122.0-122.4 | -1.05 128.5 | 122.0-128.5 | -0.09 | -1.05 125.0-128.5 | -1.00 | -1.05 127.0-128.5 | -1.00 | -1.05 127.0-128.5 | -1.00 | -1.05 Sales: 104 (21) lots of 20

Old crops traded nervously, seedying from morning lows to finish on the tight. New crops fell a £1 down sefore seadying on renewed export activity to finish on a steady nots, egore T. G. Roddick.

117.76 115.65 99.56 106.36 105.35 +0.30 112.00 -0.55 98.00 +0.18 -0.35 101.50 +0.19 -0.75 104.50 -0.60 107.26 +0.05 Mar..... 108.00 —0.60 107.26 +0.85

HGCA — Locational ax-larm spot offices. Feed barley: E. Mids 113.10. Scotlend: 112.50. The UK. Monetary Coefficient for the week beginning Mondey Mey 5 (based on HGCA calcalations using four days' exchenge rates) is expected to be unchanged. Besiness done—Wheat: May 117.75-7.00. July 115.95-S.00. Sep 98.85-9.30. New 102.75-2.10. Jar 105.85-5.18. Mar 108.25-7.80. Sales: 625 lost of 100 tonnes. Barley: May 112.00-1.75. Sept 97.80-7.40. New 101.30-100.60. Jan unstaded. Mar 107.20-8.50. Seles: 215 lots of 100 tonnes. LONDON GRAINS. Whest US dark northern spring No 1 15 par cent Mey 124.25, Jane 115.90. transshipment east cost. US No 2 soft rad winter July 89.75. EEC April 138.75. English feed tob May 121, June 122. Sept 100.75. Oct/Dec 106.50. Jan-Mar 111.50 nominal/sellere asst. cosat. Maizer US No 3 yellow/french transshipment east cosat. April 143.75.

GAS OIL FUTURES

Month .	Close -		Done
·, · · ·	sus :		
19	153,75 155,00 156,00	+7,25 +7,60 +6,75 +5,60	155 58 54 154 75 25 155 80 25 155 80 25
	130,50 138,00 5,231 (3,	+2,25	182.05

COCOA 10 tonnes, 5/tonnes

254.63 253.75

Dec 195.9 195.0 195.0 193.0 193.0 194.0 March 203.8 203.6 202.0 2452 May 208.2 208.2 207.0 207.6 July 208.4 208.4 207.4 207.4 207.4 207.6 PORT SELLIES 38,000 fbs, Carole/Bass April May June July Sept Dec Jan March May July

OIL (LIGHT)

GOLD 100 try oz, \$/troy oz.

90.30 91.20 90.40 90.70

13.35 -13.56 13.50

SUGAR ... LONDON DARLY PRICE—Raw. sugar 5205.00 [2133.00], up 55.00 (up £3.00) is tonne for April-May delivery. White sugar 5223.50, ap \$6.00. Raports of farther buying interest from India kept prices accept around \$195. besiles October. repore C. Cantalbase.

tale by language and # per tonne F.O.B.

Asias: 2,526 (1,353) lots of 50 Asise: 2,526 (1,363) lots of 60 tonnes.

Text and Lyla delivery price for granulated basis sager was \$238,00 s tonns for export.

International August Agreement—(US cents per pound leb and stowed Caribbean ports.) Prices for April 25: 0elly price 8,22 (2,04): 15-day average 8,25 (8,26).

PARIS—(FFr per, tonns): Aug. 1,546—1,548, 0et 1,508–1,565. May 1,536-1,655, Aug 1,575-1,590.

negligible with most deals done on en exchange basis for June/Jaly berreis. Nymax WTI opened 26c no for Jeno lollowing Fridey's ballish close and attracted with a 35c range during the morning. In the patroleum products market gesolina and naphthawers bid higher on Scandimeiran and French interest. Gas off cargoes firmed in north west Europe on eastained prompt buying interest. Fuel oil was unchanged in thin practing. Petroleum Argus, Löndon.

CRUDE OIL-FOB (8 per ba Arab Light Arab Heavy . Dubat

378.3 Close High Low
378.3 May 295.4 228.0 287.2

78. Sept 261.6 282.0 527.4

Prev Dec 288.0 288.0 298.2

90.80 March 285.0 285.0 298.2

91.80 May 252.0 522.0 253.4

90.90 SpOT PRICES — Chicago, loos
91.20 ond Hermen silver buillion
91.60 (513.0) cents per 1roy ounce. ORANGE JUICE 15,000:1b. conta/lb. . . Sales: 1,129 (1,398) lots of tonnes. Earlies—Joly 107.00, -2.00, 1100 Aug 87.50, -7.50; Sept 80.00, -10.0 Sales; 7 lots of 10 tonnes. FREIGHT FUTURES Dry cargo futures remained in hanged in moderately active tradity

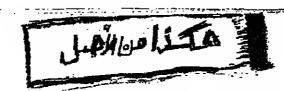
Turnover: 158 (196). Close |High/Low | Prev

 About 30 nickel producer and user nations began a weak of talks on establishing an international (study group to monitor the world nickel market. The organisation will watch

the world market continuously and to provide better statistics on production stocks, tradeand consumption. It will also serve as a forum for consultations and exchanging information, but will have

no role in stabilising the market. Agreement to set up an autonomons intar-governmental body was reached in Geneva nomons

last November.



CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar down despite support

The dollar traded nervously, falling to another record closing low against the Japanese yen, to low against the Japanese yen, in the lowest for five years in terms of the D-mark, and the weakest since January 1982 against the Swiss franc. Sentiment continued to point towards a weaker dollar, largely on conviction that the Reagan Administration wishes to see a further orderly decline. But the market was nervous ahead of the seven-nation summit in Tokyo next weekend. Small scale purchases of dollars by the German Bundesbank and Bank of Japan added to the uncertain moods. Trading is likely to remain patchy, with Tokyo closed today for a public holiday, several European centres closed un Thursday for May Day, and an approaching long weekend in the UK.

The dollar fell to DM 21640 from DM 21810; to FFr 6.8975 from FFr 6.9475; to SFr 1.8980 from SFr 1.8215; and te Y167.15 from Y168.15. On Bank of England figures the dollar in the lowest since May 1982.

STERLING—Trading range sealest the dellar in 1985. the lowest for five years in terms

STERLING—Trading range against the dollar in 1986 is 1.5355 to 1.3770. March average 1.4681. Exchange rate index rose 0.5 to 76.4, the day's high, after touching an early low of 75.9. Shimonths ago the index was 80.8.

POUND SPOT-FORWARD AGAINST POUND

DOLLAR SPOT-FORWARD AGAINST DOLLAR

One month

0.30-0.47e pm
0.31-0.20e pm
13-13c pm
14-6c pm
14-6c pm
15-25cer pm
175-615c dis
13-13cp pm
175-615c dis
5-9 fter dis
5-9 fter dis
4-24-24c pm
1-4-12cre dis
1-14c pm
12-10-4cre pm
12-14c pm
12-14c pm
13-14c pm
13-14c pm
13-14c pm
13-14c pm
13-14c pm
14-14c pm
15-2.20c pm
13-14c pm

8 8 1 DM YEN FFr. SFr. HSL Lim US BFr. 1. 1556 3.565 260.0 10.75 2.815 5.796 2511 2.140 68.65 0.645 1. 2.164 167.2 6.898 1.808 2.442 1486 1.376 44.10

0.933 1.460 5.156 848.5 1D 8.601 5.639 2164 1.994 63.98 0.506 0.653 1.196 02.44 3.815 1. 1.350 881.8 0.761 24.41

0.863 0.410 0.886 68.47 8.886 0.741 1. 608.5 0.564 18.08 0.483 0.678 1.456 112.5 4.644 1.217 1.648 1000 0.928 29.71 0.467, 0.787, 1.978, 121.5, 6.014, 1.514, 1.775, 1080., 1, 38.06, 1,487, 2.366, 4.902, 578.7, 10.63, 4.097, 5.552, 5366, 5,117, 100,

0.462 1. 77.87 3.189 0.836 1.129 886.7 2.836 30.40 6.985 12.44 1000, 41.87 12.62 14.91 8888 8.231 264.0

19 5e-10 lg 91e-7 6 lg-9 5 lg-5 tg 4 lg-4 tg 4 lg-4 tg 7 lg-7 tg 12 lg-13

One month

£ IN NEW YORK April 28 | Latest | Prev. pless 2.5635-1.848-1.548 1 month 0.48-0.45pm 0.48-0.47pm 3 months 1.28-1.23pm 1.26-1.84pm 12 months 3.70-3.60pm 3.63-2.56pm

Sterling gained 12 cents to close at \$1.5550-1.5560, the highest level against the dollar since June 1983. Against a background of slightly firmer Loadon interest rates, and rising oil prices, the bound a 1.0 advanced to DM 3.3650 from DM 3.3550; to FFr 10.73 from FFr 10.6850; to SFr 28125 from SFr 2.8025 and to Y260 from Y258.50.

D-MARK — Trading range against the dollar in 1986 is 2.4710 to 2.1640. March average 2.2677. Exchange rate index 136.3 against 127.8 six months ago.

The Bundesbank bought dollars on the open market in Frankfurt yesterday. Mr Karl Otto Poehl, president of the Bundesbank, confirmed the intervention, but would not commont on market estimates that the central bank bought \$50m to \$200m. bank bought \$50m to \$200m.
Dealors commented that at such a level the buying of dollars could have been merely a commercial transaction, and out an attempt to support the US

is 202.00 in 18.715. Barch average 178.65. Exchange rate index 202.7 against 171.1 six months ago.

The yen improved against the dollar in Tokyo. Dealers suggested the Bank of Japan bought dollars, after the US currency fell to an early low of Y167.06. Intervention was probably not on a large scale, but was enough to keep the market nervous for the rest of the day. The dollar fell to Y167.25 from Y170.20, and weakened further to Y166.35 after bours in Tokyo. Dealers were cautious of attacking the dollar too bard ahead of the summit meeting, beginning in Tokyo oext weekend, and before today's national boliday in Japanese Finance Minister, said he hoped to hold talks on currency problems, with the other six nations, before the summit.

tion at the Frankfurt fixing, when the dollar fell to DM 2.1713

when the dollar fell to DM 2.1713 from DM 2.2050. In early trading the dollar fell to DM 2.1520, but rose to DM 2.1860 on reports the German central bank was in the market, before slipping back ahead of the fixing. At the Frankfurt close the dollar had fallen to DM 2.1700, from DM 2.1945.

JAPANESE YEN — Trading range against the dollar in 1986 is 202.70 to 167.15. March average 178.65. Exchange rate

CURRENCY MOVEMENTS

CURRENCY RATES

| 1.5410-1.8580 | 1.5560-1.5580 | 0.500-0.47c pm | 3.74 1.32-1.27 pm | 3.43 1.370-1.3824 | 1.370-1.3800 | 0.24-0.28 dis | 4.72 1.30-1.10 pm | 3.43 1.370-1.3824 | 1.370-1.3800 | 0.24-0.28 dis | 4.72 1.30-1.10 pm | 3.43 1.370-1.3824 | 1.370-1.3800 | 0.24-0.28 dis | 4.72 1.30-1.10 pm | 3.43 1.32-1.27 pm | 3.43 1.32-1.28 pm | 3.43 1.32-1.29 pm | 3. OTHER CURRENCIES

EMS EUROPEAN CURRENCY UNIT RATES 43.6761 7.91896 2.13834 6.96280 2.40835 0.712958 1496,21 43,8032 7,95387 2,14725 6,84884 2,42375 0,706128 1475-27 Belgian Franc ...
Osnish Krope ...
German D-mark
French Franc ...
Outch Guilder...
Irlah Punt
Italian Lira Changes are for Ecu, therefore powerk currency. Adjustment calcul

Lang-term Eurodollers: two yeas P_1 - P_2 per cent; three years P_1 - P_2 per cent; are years P_2 - P_3 per cent nominal. Short-term tes ere call for US Dollars and Japanese Yan; others, two days' notice.

from per 1,000; Franch Fr per 10; Lire per 1,000; Belg Fr pet 100.

EURO-CURRENCY INTEREST RATES

FINANCIAL FUTURES Late recovery

Prices recovered from early reflected fears that the US levels in the London Interpolational Financial Futures increose to cash rates to support Exchange yesterday to the mar trading. Uncertainty to the mar While cooceding that the pace ket was highlighted in the Euro-dollar sector by an early

LIFFE E/\$ OFTIONS £25,000 (cents per E1)

CHICAGO

1.afest 94.12 94.20 94.72 93.92 93.70 93.47 93.27 83.00

High 94, 13 94, 12 94, 12 93, 92 93, 70 93, 47 93, 27 93, 08

THREE-MONTH EUROCOLLAR (IN \$1m points of 100%

STERLING INDEX

2.00 pm 2.00 pm 3.00 pm

April 28 Previou

93.37 93.26

While cooceding that the pace of the dollar's recent decline had created some uncertainty, others in the market ruled out a rise tract at this level and it rose

recovery. The June contract epened at 93.12 and touched a low of 93.05 before recovering to close at 93.19 compared with 93.20 on Friday.

Chart and resistance point trading seemed in govern mech of the trading is US Treasury bonds. After opening at 86.24 for Jone delivery, values slipped to a low of 98.09 before fresh buyshift from Jooe to September, is the market ruled out a rise tract at this level and it rose with both contracts recording in rates as unlikely simply sleadly to a day's high of 99-13 volume just either side of 2,000 because the US economy con before finishing at 99-09 after lots. Part of the early shift times to show little sign of 99-14 op Friday.

Estimated volume total: Previous day's open into LONDON SE E/S OPTIONS E12,500 (cents per £1) CaRA-Lest ...

May Jume July Sept ...

29.00 ... 29.60 ...

19.00 10.00 ... 19.10 ...

19.00 10.60 10.60 10.60 10.50 5.80 9.80 10.10 10.55 5.20 5.85 0.40 7.30 south desired to the contract of the contract o PHILADELPHIA SE E/S OPTIONS £12,500 (cents per £1) LIPFE-EURODOLLAR OPTIONS

Close High Low Pray
June 93.19 83.20 93.08 93.20
Sept 93.19 93.15 93.04 93.21
Dec 93.07 93.07 92.93 93.01
March 92.85 92.85 92.71 92.87
June 92.63 92.85 92.71 92.87
Sept 92.42 — 92.44
Dec 92.23 — 92.44
Est Volume 4.788 (7.002)
Previous day's open and 20,378 (19,644) ESO,000 32nds of 100%

Close High Low Prev

June 126-77 127-90 125-29 128-25
Sept 126-25 126-17 126-16 127-00
Dwc 128-24 128-20 125-20 127-00
March 128-20 125-20 128-20 127-00
Est Volume 9,036 (8,136)
Previous dey's open int 11,574 (13,555)
Shais quote (claan cash price el 13%
Imasury 2004/08 loss equivalent price of near futures contract]
19% NOTIONAL SHORT GILT
E10,000 64ths of 100%

Close High Low Prev US TREASURY BONDS 8% \$100,000 32ads of 100% Closs High Low Prev 99-09 99-11 98-09 99-14 99-15 98-16 97-18 98-19 97-23 97-28 Volume 0.264 (11,730) pus day's open int. 7,872 (8,111) **CURRENCY FUTURES** POUND-S (FOREIGN EXCHANGE) Closs High Low
June 90.38 90.46 90.28
Sept 01.07 91.08 90.46
Dec 51.27 51.27 91.14
March 92.28 01.25 91.17
June 91.25 91.27
Previous day's open int, 19,180 (1 Spot 1-mth. 3-mth, 6-mth. 12-mth. 1-5555 1.5507 1.5426 1.5333 1.5190 MAN-STERLING Se per E ML, 19,180 (18.312) LIFFE-STERLING £25,000 5 per £ Close High Low Prev 1.5445 1.5419 1.5370 1.5245 1.5340 1.5271 1.5271 1.5140 1.5255 — 1.5050

Fob Story

> attached to your company • Key Rings • Cuff Links Enamel Badges letterhead for a free design ● Paperweights ● Medals

incorporating your logo. Quality PROMOTIONAL GIFTS

Manhattan-Windsor 🔷 STEWARD ST. BIRMINGHAM, B18 7AF ENGLAND TELEX 338633 USA Address Manhattan-Windsot PO Box 92791 Milwaukee, WI 53202 Control for St. M. M. G. normitent

Legal Notices NOTICE IS MEREBY GIVEN that the recitors of the above-named Comdany-hick is being voluntarily wound to. are required, on or before the 12th day. 18 for the send of the table send of the oa Solicitors III any, to lee uaper of Avil SwaDell FCA.

of 48 Rodney Street.
Liverpool 11 946.

iduidator of the said Comdany and required by notice in writing from all of Lipuidator. Ber, bersonally or by Solicitors to come in and now debts or claims at such time and 45 shall be specified in such notice and advantage before the such notice of the said the sements of any citation.

But the sements of any citation and the sements of any citation and before such debts are proved the this 18th day of April 1966.

DiswADEN Liquidator

NOTICE IS HEREBY GIVEN that the creditors of the above-named Company, which is being withorterfly wound up, are required, on or before the 25rd day of May, 1886, to seed in thair that Christian and surnames, their addresses and Secriptions, built particulars of the secriptions, built particulars of the secriptions of the secretary of the secriptions of the secretary of the secriptions of the secretary of the their Solicitors (If any), to the understand KEITH DAVID GOODMAN, FCA of 38 Eastbourne Terrace.

The Liquidator of the said Company, and, it so required by notice in writing from the tail Liquidator, according to the tail Liquidator, and the said properties of the said the said control their debts or claims at such the said part of the said thereof the said the said thereof the said distribution made before such debts are browd. Dated this 1th Av of April 1855.

Dated this 1th Av of April 1855.

Liquidation.

Company Notices By Order of the Board NOLLANDSE KOOPMANSBANK N.V.

Clubs

E WORLD VALUE OF THE POUND

The table below gives the latest available rate of exchange for the pound against various currencies on April 28, 1986. In some cases rate is nominal, Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied

77.7.

Abbreviations: (A) approximate rate, no direct quotation available; (F) free rate; (P) based on US dollar parities and going sterling-dollar rates; (T) tourist rate; (Bas) basic rate; (bg) buying rate; (Bk) bankers' rates; (cn) commercial rate; (ch) convertible rate; (financial rate (exC) exchange certificate rate; (nc) non commercial rate; (nom) nominal; (e) official rate; (sg) selling rate; (c) controlled rate; (u) unified rate.

								
COUNTRY	CURRENCY	VALUE OF	COUNTRY	CURRENCY	VALUE OF	COUNTRY	CURRENCY	VALUE OF £ STERLING
Afohanistan	Arghani Lek	99,00						A1 FD-165
Albania	Lek	10,32	Greenland	Oznieh Kroner	18.4585	Port	INU	exe A 21,58 16) 50,70
AJGCTIA	LINET		Grenade	E, Carlobean 5	4,80 10,73	Philippines	of Sporting	30, 70
Andorra	French Franc	613.76	Grenada Guadalcopa Guam Guapamala	LOGAL FRANC	1.9555	Pitcairn islands	Kew Zeeland 8	6,6428
Angola	epanian Pereta.	45.2039	Guetemala	Ouetzai	1,5555	1		
Antonia	F Coribbean S	4.89	Gulped	Franc	588.87 118	Polano	Zloty	854.9
Antigua Argentina	Austral	1.3007	Guinea-Bissau	Peso	865.18			
			GUYESA	Ontarress &	6.0020	Portugal	PortuguacoEscudo	222.9 1.5565
ATUGG	Florin		Harti.	Gourde	7.78	Puerto Rico	0.5. 8	1.5000
Austria	Australian 5 Bohilling	23.70	Honduras	Lempira	5.11	Qatar	Gatari Rval	5.6555
AZOFOR	Portuga'se Escucio	23,70 228.9	Hong Kong	H.K. 8	12,0405	MOTOR PLLI (M. 1, 100 mm.	Charles I Itylia	
Bahamas	Portuga'se Escudo Ba. Dollar	1.5065				Reunion Island	French Frenc	10.73
Bahrain	Dinar	9,5835	Hongary,	Forint	69.0433			((Cm) 9,88
Balearic Isles	Son Penetra	215.78			52,7460	Romania	Leu	IN C. 18.02
Bengladesh	Taka	46,00	iceland	and Russe	18.50		A	133,6
Barbados	Berbados 6	3.1285 Jiem, 68,85	Indonesia	Bunish	1 746 83	Rwanda	rwanda Franc	133,0
Belglum	B. France	ifn: 09.15			1,746.83 129,05 (ag)	St, Christopher	E Carlbboan &	4.20
Relies		3.11	trish Republic	traci Oiner	0.4825	St. Giriscophera	St. Helena £	1.9
Bernuda	CE A France	530.50	trish Republic.	Irish &	1,1045	St. Halena	East Carribean S	4.80
Bermuda	Reis E	1,5555	(srael	SheKal	2,2950 (17)	RI Plerre	Local Franc	10.73
Bhutan	Nguttrum	18,50	trory Coast	Line	0,819,75	1 St. Vincent	E. Carlbbean S	4.00
		(a) 2961678.0	(VOTY COAST	C.F.A. Franc	530.50	i Samos Amencilia.	U.S. B	1,9055
Bolivia		2,5875	Jamaica Japan Jordan	Jamaica Dollar	8.00 (ag)	San Marino	Italian Ura	8,310,75 60,50
Botswahe	Pula	01,3950(20)	Japan,	Yen	269.9	Sao Tome & Prin	Dobra	00,00
Brazil Brit. Virgin Isles	Cruzado	1.5555	Jordan	Jordanian Oinar	0.0530	Saudi Arabia	Saudi Cent	9,6460
		1,0000	V	Diel	H-A	Sencesi	C.F.A. Franc	050 50
Brunei	Srunei 5	\$,8851	Kampuchea	Kenya Shilling	H'A 84.40	Sencgal. SeyChelles	S. Rupee	9,40
Bulgaria	Lev	1,5742	Kiribati	Australian 5	8.0938	I DIDLLA PED'IR """	LEOILE	(O) 7.70
Srunei	G.F.A. Franc	539,60	Kenye	Won	1.46	Singepom Solomon Islanda	Singopore 5	3,3837 2,4831
Burma	Kyat	11.0000	i Korea (Sth)	.Wan	1,574.05 0.4485	Solomon Islands -	Solomon Is, 5	56.00
PRIMI PARK	Burundi Franc	160.25	Kuwait	Kuwaiti Ginar	0.4485	Somall Ropublic South Africa	Somali Stilling	3.1698
Carnercon	C.F.A. France	050.50		V VI-	54.44	Spain	Geseta	915.78
Canada	Canadian 5	9.1400	Laos	Lebonore &	49.86	Boanish ports in		
		018,78	Lesotho	Majuti	5. 1689	North Afres	Posets	913.78
Cape Verde Is	Cape V. Escudo	138,86 1,8990			1.5655	Bri Lenka	S. L. Rupes	42.40
Cayman telands	Cay. Is 8	1,2990	LibyaLiochtenstein	Libyan Oinar	0.4605	Sudan Republis	Sudan E	5.89
Cent Arr. Republic	G.F.A. Franc	559.50	Liochtenstein	Swiss Franc	8.8125	Surinam	s, Gunder	8,7 9 3,1698
Chile	Chilean Bess	536.50 288.54	Frixourponts	LIX Franc	68,95	Swedon	S. Krope	10.BB
		4.8751	1			Switzerland	Swiss Franc	28159
Colombia Comoro Islanda Congo iBrazaville)	Col. Peso	(F:285.05	Macao	Petaca	12.68	Syria		JIAI IT) O.U
Comoro Handa	C.F.A. Freno	536,50 536,50	Marielra	PortugueseEscudo MO Franc	288,0	, syria	STIPLINE	i(CM) 6,11
			Malagasy Republic	MO Franc	880.65 2.7000	Telwen	New Talwan 8	60,00
Costa Rica	Colon	ry :85,37	Malawi	RWECHA	4.0057	TalwanTalwaniaThallandTogo RegublidTonga IslandsTrinidad	Ten. Shuling	39.30
Onps	Cuben Peso	1.3315	1	Ruffyse		Thalland	Bahl	40,00 635,50
Cyprus	Cyprus E	0,7895 (Icomi 9,00	Maldive Islands Mail Republic		19.59	Togo Kepuolia	S.F.A. FIADC	9.0938
Czechoslovakia	Karrina	n's 15.49	Mail Republic	C.F.A. Franc	950.50	Televided	Tonided & Tob 5	9. 60
		(m)15.23	Malta	Maltese Lira	9.0109			1.05(eq)
Denmark Dijibouti	Penish Kroner	19.4505 205.00	Martinique Mauritania	Lacal Franc	19.75 119.77	Turkey	Turkish Lira	1.003.95
B ibouth	. Blibouti Franc .	205.00	Mauritius	M. Suces	29.97	Turks & Calcos	, U.S. S	1,0909 2,0938
		4.20			(F:794.64	TUVEN	AUSTRIBIO O	Z,0530
Dominican Repub	Dominican Peso	4.39 (7)	Mexico	MEXICAN PESO	1(C)769,66 19,73	Uganda	Upporte Shilling	2,211,5
	_	'ign 168.06	Miquelon	Local Franc	19,73	Cation	ILD Dave	1,5555
Ecuador.,	Sucre	i/F: 200.00	Monacu	French Franc	10.78	United States Uruguay. Utd_Arab Emirates	Constant Base	8 19 49
Egypt	Formelan C	1 (p. 1.0900 (T) 8.0500	Montserret	E Cariobean &	4.09	Lite Arab Emirates	U.A.E. Olrham	6,6819
ES Montanion	Ediabolica m		Mornoco	Nicham	1., (U 16g)	U.S.S.R	Rouble	1,0745
El Salvador	Colon	7,7579	Morocco	Metical	(A) 91,92	B .		
Equatorial Guinea.		035.50			4 . 500	Vanuatu	Vatu	148.82
Ethiopus	Ethiopian Bur	3,8100	Namiols	S.A. Rand	3, 1698 8.0938	Yatican	Stilling rite	2,819.75
Ethiopia	Falkland is £	1.0	Nauru Nopal	Manager Bridge	31.89	Venezuela	Bollver	(14,6,59, 10, 11,97
Parce lalanos	Danish Kroner	12,4525	Nethorlands	Guilder	3.7975	ADDRETHEN ******		(15) 29.70
Fiji lakanda	Flii ð	1,6891	Nethorlands Netherland Antilos	Antillian Guilder	5.59	1		• • • • • • • • • • • • • • • • • • • •
Finlend		7.9148			2.6428	Vietnam	New Dong	10) 18,99 (35
France O'ty in At .	French Franc	10.75	Niceragua Nigor Republic	Cordoba	m. 05.35	Virgin Island U.S	u.s. Dollar	1.5555
French O'ty in At .	C.F.A. France	530,50 19.75	Nigor Republic	G.F.A. Franc	538.50	Western Samoa	Compan Tala	(A) 3,3609
		19.75			1.510066(sg) 19.7385	_ AGREST 11 2511108	Structu Leit	A1 -1000B
French Pacific Is.	G.F.A. Franc	190.0 536.50	Omen Sulfate of	Rial Omani	0.5925	Yemon With	Rval	(A) 10.80(sg)
Gabon Oambia	Dalasi	10.20	Pakistan	Norwegian Krone Riel Omani Pakistan Rpes	24,70	Yemen (8th) Yugoslavia	S. Yemen Olnar	9.0335
Germany (East)	Ostmark	3.3650	Panema	Balboa	1.5590	Yugotlavia	New Y 9 insr	08 8 .06
Germany (East) dormany (West)	Dautscha Mark	3.3650	Panema Papue N. Bulnes	Kina	1,4417	ļ		64.0366
Gกลกอ	Cedi	158.00	1_		771 Ab. 16.	Zaire Republic	Zaire	84.0368 10.735a

† Rate is the transfer market (controlled). ‡‡ Now one official rate. (1) Essential goods. (2) Preferential rate for public sector debt and essential imports. (5) Preferential rate. (5) Free rate for highly imports, remittances of money abroad and foreign bravet. (7) Paratiol mts. (8) Beniums rates. (10) Rate for exports. (14) Nearly all business transactions. (15) Vietnam:—7 new dong equals 10 old dongs. (10) Personal init aquals 7,000 soles. (17) Israel—1 new sheets equals 1,000 old sheets. (18) Arube Sorial—new currently introduced January 1, 1986. (19) Exception—1 new steps are exchanged as a supplied to the steps.

MONEY MARKETS

0 Guilder Sw. Franc.

EXCHANGE CROSS RATES

UK rates finish slightly firmer

NEW YORK RATES

(Lanchtime)
Prime rate
Breker loan rate
Fed funda
Fed funda
Fed funds at Intervention

6716
Fed funds at Intervention

6716
Fed funds at Intervention

Interest rates were slightly firmer in London yesterday as the prospects of an early cut in clearing bank base rates receded. The market was faced with a smaller than expected with a smaller than expected shortage although today's shortage is expected to be over fibn. while the market remained slightly bullish oversil on the next move in base rates, the Bank of England's successful attempts to deter another immediate cut together with next month's banking figures, which are expected to be bad, tended to unsettle the market a little.

Three-month interbank money was quoted at 101-101 per cent compared with 101-101 per cent compared with 101-101 per cent Overnight interbank money touched a high of 111 per cent before easing to 81 per cent. Late balances were taken of 9 per cent.

The Bank of England forecast a shortage of around £800m with factors affecting the market including maturing assistance and a take op of Treasury bills together draining £1,804m. These were partly offset by Exchequer were partly offset by Exchequer transactions which added £555m and a fall in the oute circulation of £320m. In addition banks brought forward balances £120m above target. The Bank offered

MONEY RATES Ovr-nio't Month Months Months Months in tin Frankfurt . Tokyo ... Milas

which resulted in outright purchases of £57m of eligible bank bills and £34m of purchases of £57m in band 2 at 10½ per cent £12m in band 3 at 10½ per cent and £30m in band 3 at 10½ per cent and £30m in band 4 at 10½ per cent and £30m in band 4 at 10½ per cent and £30m in band 5 at 10½ per cent and £30m in band 5 at 10½ per cent and £30m in band 5 at 10½ per cent and £30m in band 5 at 10½ per cent and £30m in band 5 at 10½ per cent and £30m in band 5 at 10½ per cent and £30m in band 5 at 10½ per cent and £30m and £350m an

five reference banks at 11 am saci working day. The banks am Hadona Westminster Bank, Bank of Tokyo Gautache Bank, Banque Mationala de Pans and Morgeo Guaranty Trust, The fixing miss on the arithmetic means, rounded to the market consistentia, of the bid and offered rate for \$10m quoted by the market to

LONDON MONEY RATES Over 7 days | Statistics | Sta Sterling CDs.
Local Authority Pedos
Local Authority Pedos
Local Authory Bonds
Illegourt Mikt Depos.
Company Depos.
Finance Rouse Pepos
Finance Rouse Pepos
Fina Trade Silfs (Buy).
Bank Bille 18uy).
Fina Trade Silfs (Buy)
Dollar CDs.
SOR Linked Depos.
EQU Depos.

Treatury Bills (sell) one-month 10% per cent, three-months 9% per cent. Sank Bills (sell) ene-month 10%, 10% ger cent, three-months 10% per cent. Bank Bills (sell) ene-month 10%, 10% ger cent, three-months 10% per cent. Treatury Bills. Average tender rate at discount 0.8470 per cent. ECGS Fixed Finance Schems IV relatence date March 5 to April 1 (inclusive) 11 877 per cent Local suttenty and Finance Houses seven days notice, theirs seven days fixed Finance Houses Base Rate 12% per cent lorn April 1, 1986 Senk Deposits Gare for summ at saven days notice 9% per cent Certificates of Tax Deposits (Series 6): Oesosit 2100,000 and over held under one month 10% per cent; assume should 10% per cent; three-wix months 10 per cent; sav-nus months 10% per cent; three-wix months 10 per cent; sav-nus months 3% per cent. Under 100,000 8% per cent from April 29 Oesosits held under Series 5 9% per cent. Osposits withdrawn for each 5 per cent.

المكناموالإلمال

Dinamaial Times Transland April 20, 1096	45 PROPERTY Continued INVESTMENT TRUSTS—Cont. FINANCE, LAND—Cont. MINES—Continued 1986
NOUSTRIALS-CONTINUED 1986	1 1 2986 1986
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1925 174 175	225 235 Yerniyer 10p
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470 420 Namester Sec. 100	218 170 Charf h 10c. 13
174 96 Sarr & W.A.1. 180 -20 4.0 4.0 4.2 6 5 36,0 even 160 100 27 1 103 37 2.0 1 10 30 0.5 2 1 10 2 1 10 2 1 10 10	272 240 Chy of Order Vis. Op. 102 103 105 101 105

MARKET REPORT

Account Dealing Dales Option First Declara- Last Account Dealings tions Dealings Day Apr 14 Apr 24 Apr 25 May 6 Apr 28 May 8 May 9 May 19 May 12 May 29 May 30 June 9 "New-time" dealings may take place from 9.30 am two business days

Loodon equity regained a measure of compo-sure as the new trading account sure as the new trading account got nnderway a balf bour earlier; official dealings now commence at 9 am. Blue chip industrials edged higher, but with most potential investors still looking for a positive lead, there was little of auhstance hehind yesterday's improvement. Nevertheleas, an uncartain start gave way to hrighter conditions as buyers began to show a little more confidence. Much of the day's interest, however,

a little more confidence. Much of the day's interest, however, centred on companies mentioned in the week-end financial Press. Early in the day two further bids were announced; London international appeared on the scene with a share exchange offer for Wedgwood, while Duport found itself on the receiving end of a takeover approach from tiself on the receiving end of a takeover approach from Williams Holdings. This ensured another round of speculative activity in many other companies regarded as potential hid candidates.

Refeccing the caunous opening in equity sectors, the FT-SE index recorded a fail of 2.4 at the start of husiness, hut gradinally recovered to close 6.2 higher on the day at 1628.8.

The Financial Times Ordinary share index nosted a gais of

£538m March trade deficit. Loog-dated stocks opened on a rela-tively steady oote, but the appearance of a few sellers saw prices drift lower. A small raily, developed following firmer early opening indications from the American bond market. But quo-American bond market. But quotations snil closed with falls ranging to ‡ and occasionally more. Short-dated issues settled with losses extending to ‡. Trading conditions were thin, activity, heing curtailed to a certain extent peoding the ootcome of the Tokyo economic summit.

Willis Faber jump

Firm Lloyds Brokers were featured by Willis Faber which advanved 41 to 468p xd following a Press report that Morgan Grenfell, the merchant baok in which it bolds a sizeable stake.

EQUITY GROUPS

& SUB-SECTIONS

CAPITAL GOODS (214)

Electricals (12).

Building Materials (26) Contracting, Construction (29) .

Methanical Engineering (63) ... Metals and Metal Forming (7). Motors (17)
Other Industrial Materials (22)
CONSUMER BROUP (184)

Brewers and Oistillers (22) ... Food Manufacturing (22) Food Retailing (15) Health and Household Products (20).

Heating and Programma ()
Leisure (25)
Publishing & Printing (14)
Packaging and Paper (14)
Stores (43)
Textiles (17)

Office Equipment (4)
Shipping and Transport (12)
Telephone Networks (2)
Miscellaneous (48)

PIMAMELIAL GROUP (116).
Banks (7)
INSURANCE (Life) (7)
INSURANCE (Composite) (7)
INSURANCE (Brokers) (8)
Merchant Banks (11)
Property (50)

Property (50).

3 Over 15 years ...

71. Investment Trusts (103) ... 81. Mining Finance (3) 91. Overseas Traders (14) 99. ALL-SHARE INDEX (736

FT-SE 100 SHARE INDEX 4

FIXED INTEREST

146.78

154.43

172.78

141.81

132.72

9 Redembres & Laure ... 122.99 +0.19 122.78 0.83

Day's change %

-0.03 124.62

-0.42 | 147.40

-0.57 155.28

-0.67 173.87

-0.31 142.25

+0.11 112.59

.. 86.56 +0.36 | 86.49 | 0.07

117.40 +0.45 116.87

116.55 +0.39 | 116.10

zd adį. teday

1986 to date

4.58 5.19 6.07

4.40

0.87

1.21

114

4.04

2.27

13 Inflat's rate 10% 14 Inflat'n rate 10%

OTHER GROUPS (85)

Tobaccos (2)

International rose 8 to 232p, and Tootal, preliminary figures expected loday, closed 3 up at 962p, Revived speculative support lifted Strond Riley Drummond 15 to 112p, Harvid Ingram a similar amount to 155p, after 160p, and Lister 4 to 71p. Parkland Textile, scheduled to reveal annual results next month, impossibilities. Pilkington, mean-Gilts lower but equities move ahead after cautious opening

Royals 8 better at 920p and Sun Alliance 12 to the good at 744p.

Brown Shipley stood out among merchant banks, rising 45 to 595p, after 600p, on the announcement that Henry Ansbacher and Group Bruxelles Lambert, working in concert, had acquired a near-21 per cent stake in the company Mercary International advaoced 20 afresh to 835p and Goode Dirrant and Musray gained 3 at 91p. Elsewhere, Standard Chartered rallied 6 to 818p, after 820p, in reply to vague counter-hid rumours, while current hidders Lloyds edged forward a few pence to 595p. Royals 8 better at 920p and Sun

The Financial Times Ordinary share index posted a gais of 7.4 at 1365.3. Among the constituents, Boots were the subject of persistent takeover speculation, while P. and O. stood out with a rise of 17 at 560p follownewspaper comment on its expansion plans.

Government securities found little comfort in the sharp advance in sterling against the US dollar yesterday, underlying sentiment being unsettled by the £538m March trade deficit. Loogdated stocks opened on a relatively steady once but the hotel group Jurys, whose shares were offered at 115p, started at Elsewhers, a receotly-dull AMEC revived with an improvement of 5 at 274p, while Barratt Develop-ments, partially boosted by merger developments within the estate agent sector, gained 10 to 158p Renewed demand in 8 restricted market lifted Wilson (Connolly) 12 to 4920, while favourable comment stimulated Robert M. Douglas which put on 7 to 82p. Buying ahead of the nreliminary results due on Thursday hoosted Helical Bar 9 to 170p, but adverse Press comment unsettled Phoenix Timber which fell 12 to 88p.

Ward White feature

Secondary Stores provided numerous firm features. Ward White were particularly huoyant and closed 10 to the good at 314 after revealing better-than-forcest. which it bolds a sizeable stake, as and closed 10 to the good at moved up 10 to 237p in anticipation after newspaper comment, while improvements of between 10 and 15 were seen in C. E. Heath, 643p, Sedgwick, 335p, and Stewart Wrightson, 412p. Composites were quietly firm with closed 4 to the good at moved up 10 to 237p in anticipation of today's interim results. Continental Microwave, at 225p and International Signal
FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Mon April 28 1986

	Арт. 28	April 25	Apr. 24	Apr. 25	Apr.	Apr. 21	year ago
Covernment Secs	82.86	83,24	83.32	23.11	94_23	94.25	a1,5
Fixed Interest	96,75	28,77	96.90	96,94	97.31	97,35	85.5
Ordinary T	1365.3	1307.9	1348.0				
Gold Mines	253.7	857.a	264.8	275,3	267,5	270,0	508.
Ord. Div. Yield	3.95	a.96	3.98	6.96	6,88	3,88	4.6
Earnings, Yid. %fulli.	2,79	9.83	2.90	8.79	2,60	2,56	11.7
PIE Ratio (net) (*)	12,22;	12.47	12,39	12.52	12,77	12,84	10.3
Total bargains (Est.)	33,022	31,031	30,125	28,879	29,673	60,268	25,57
Equity turnover £m.	_	509.6 3	882,41	1051.70	728,61	611,00	508.7
Equity bargains			30,683				
hares trade d (m)	_ :					285.3	

Ordinary 1/7/33. Gold Minas 12/9/55. Activity 1974.

	HIGHS A		• M11=	-12.06.	S.E. ACTIVITY			
	19	86	Sincs Co	mpllat'n	INDICES	Apr.	Apr. 24	
	High	Low	High	Low	Daily			
Govt. Secs.	94.31 (18/4)	80.38	127.4 (8/1/85)	49,18	Cilt Edged Bargains Equities	145.9 207.8		
Fixed Int	87.31 (22,4)	68,36	150,4		Valus SdayAverage	1,634.4		
Ordinary	148 5 .8 (5/4)	1094.3 (14:1)		28/6/40	Gilt Edged Bargains, Equities	158,2	182.8	
Gold Mines	307.0 (27/1)	253,7 (28/4)	734.7 (15:2:68)	42.5	Bargains	189.8 1,647.9	183,2 1650,2	

With the exception of affiris Queensway, which advanced 12 to 278p resecting fresh speculative demand, leading Retailers tended to mark time.

Revived rumours of a hid from West German electronics group, Slemens AG, helped STC close 9 higher at 165p. Press comment on the current bid situation helped Rotaffex jump 25 afresh to 337p; hidders Emess Lighting hardesed a penny at 318p. Buying on recovery hopes left Logica 23 to the good at 173p and Burgess Products moved up 10 to 237p in anticipation of today's interim results. Continental Microwave, at 225p

Thurs April 24

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| Index | Day's | Day's | Day's | Apr | Ap

Apr Apr 28

7.69 8.57 8.58 8.86 8.96 8.97 8.97

3.33 3.35 2.19

3.19

10.06 9.97 9.28

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8.50 8.51 8.80 8.51 8.91 8.91 8.91 8.52

10.84 9.95 9.86

1956 1963 1024 11.45 19.92 19.43 11.53 11.67 10.57

10.07

11.75

Wed April 23

to attract buyers following parent company Hamburs. Mann reports that Tate and Lyle is poised to bid for the company and closed 10 higher at 258p. up at 380p, while other estate up at 38 Hillards put on 5 to 250p.

Wedgwood higher

YESTERDAY'S

ACTIVE STOCKS

EUROPEA

comment also stimulated revived demand for Martin Ford, 4 higher at 78p, and French Connection, 10 up at 205p. Pleasing full-year figures lifted James Beattle A. 4 to 94p, and Top Valne 7 to 65p, but Allsbone disappointed in revealing sharply reduced annual profits and dipped 5 to 48p. Lincroft Kilgour spurted 28 to 200p after hours amid unconfirmed rumours that 15 per cent of the equity had been put-through the market.

With the exception of allrris Queensway, which advanced 12 lative demand, leading Retailers tended to mark time.

Revived rumours of a hid from West German electronics group, Slemens AG, helped STC close 9 higher at 165p. Press
comment on the current bid situation helped Rotaffex jump 25 from leaders. Hawker added 10

Boots continued firmly among the miscellaneous industrial leaders, rising 6 more to 269p following week-end Press com-

perties, also in receipt of a bid approach, firmed 3 to 246p tol-lowing good interim results. Phoenix Propert put on 7 to 88p on speculative buying. Textiles put on a much better performance than of late. Courtaulds led the way and advanced 6 to 271p, while Dawson

FRIDAY'S **ACTIVE STOCKS**

596 +45 Amstrad	, U		Prudantial	23	896	24
595 +45 Amstrad 33 518 -6 6 131 +18 Trusthaa. Forts 32 169 -1 175 +10 Seacham 30 408 -275 +22 Boots 28 263 +7 155 +16 Mgnt. & Sthna. 27 178 +2 250 +28 Wedgwood 27 343 +23 +70 +8 Williams Hildea. 27 676 +25	56	+18	Oixons Group	23	352	10
595 +45 Amstrad 33 518 -6 6 131 +18 Trusthaa. Forts 32 169 -1 175 +10 Seacham 30 408 -275 +22 Boots 28 263 +7 155 +16 Mgnt. & Sthna. 27 178 +2 250 +28 Wedgwood 27 343 +23 +70 +8 Williams Hildea. 27 676 +25	88	+ 7	Standd. Chartd.	25	812	+ 2
595 +45 Amstrad 33 518 - 6 131 +18 Trusthaa Forts 32 168 - 1 175 +10 Seacham 30 408 - 2 275 +22 Boots 28 263 + 7	70	+ 8	Williams Hides.	27		+25
595 +45 Amstrad 33 518 - 6 131 +18 Trusthas Forts 32 168 - 1 175 +10 Seacham 30 408 - 1 275 +22 Boots 28 263 + 7			Mgnt. & Sthns.	27		+ 2
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595 +45 Amstrad 33 518 - 6	75	+10	•	30		_
		+45		33		
	61	+ 3	Ford (Martin)	36	72	+ 2
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7.50

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AMRO C AMRO P GIST P GIST P HEIN P HEO C NEO P KLM C KLM C NEOL P	Fi.25, 188 Fi.296 128 Fi.290 128 Fi.270 114 Fi.170 67 Fi.180 67 Fi.100 409 Fi.100 409 Fi.100 475 Fi.45 127 Fi.45 127 Fi.45 188 Fi.45 189 Fi.45 189 Fi.45 189 Fi.45 189 Fi.45 189	1.90 A 1.90 B 4.80 B 8.50 S 3.50 A 1.10 A 4.40 S 5.50 A 1.20 S 5.20 B	10 7 10 2 7 7 5 5 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6	1.50 96 1.30 1 1.70 1 1.30 1 1.30 1 1.30 1 1.30 3 1.30 3 1.	14.50	F1.102 F1.266.50 F1.162.30 F1.106.20 F1.49.30 F1.170
NATN C NATN P PHIL G PHIL P RD G RD P ROSE G ROSE P UNIL G UNIL P	F1,85 60 F1,801 429 F1,831 429 F1,531 624 F1,200 996 F1,170 89 F1,93 30 F1,90 66 F1,400 66 F1,400 60	2,208 4,40 1,60 3,40 2,70 1,20 11 1,50 4 7,90	18 8 300 3 87 6 156 5 560 4	30 1 80 -4 70 154 40 18 70 122 50 - 30A - 50 10	7,208 2,40	FI. 80.30 FI. 60.60 FI.190.80 FI.82.50 FI.427

ment which highlighted takeover possibilities. Filkington, meanwhile, elso responded to newspaper mention and finished 13 better at 448p, after 450p. Elsewbere, recently favoured a Wedgwood jumped 25 to 368p, after 375p, on early details of share exchange hid terms from London International, 2 off at 219p. Investment recommendations beliped Bogod Pelepah "A" advanve 9 to 45p, after 48p, and Pavion gain 7 at 33p. Beatson Clark put on 23 to 230p following revived speculative buying and, demand of a similar nature prompted improvements of around 17 in Thomas Jourdan, 260p, Kleen-ex, 160p, Pentland, 567p, and Platon, 163p. Midland Marts rose 22 to 138p and Morgan Crucible firmed 64 more at 292p xd. Rock appreciated 2 to 284p following the preliminary figures, whila British Aerospace particulated at 550p, up 25. Extel hardened a couple of pence to 398p following late news that Demerger's unwelcoms hid had lapsed.

The Leisure sector included a handful of firm features. Really possibilities. Pilkington, meanlapsed.

The Leisure sector included a handful of firm features. Really Useful Group advanced 14 more to a record 375p in response to weekend Press comment, while rumours of an imminent injection of assets encouraged demand to the accompanying statement.

Buyers also returned for Polly Seek Smally 15 up at 178p. a

Ago in response to a comment while an imminent injection of the imminent while an imminent injection of the imminent injection of imminent injecti

NEW LOWS (47)

AMERICANS (8] Centl. Illinois Corp., Contl. Illinois Hidgs., Damagn Gil. Louisians Land, Phil. Penntoil, Rexnord. Tenneco, CANADIANS (2)
Bow Valley, Granga Exp. STORES (1)
Lincroft Kilgour. FOODS (1)
Whitworth's Food. HOTELS (1) Norscot Hotels. IMPUSTRIALS (4) Hunthigh Tech., Pachic Sales, Rameo, Robertson Research. INSURANCE (1) London & Manchester Group. LEISURE (2) SeaCo Inc., Talevision Services. TRUSTS (2) Cons. Venture Trust. Leadon Trust Warrants, OilS (8) E.R.I.C., Enterprise (i), LASMO, North Sea & Gen. Inv., Oilfield Inspection Services, Piet Petroleum, Sua (UK) Royalsy.
Tricentrol 11pc Cruv. Ln. 1995;2006, PLANTATIONS (3) Cons. Plantations. Highlands & Lowlands, Kuala Kapong. Banases (14) Cons. Modderfonteins.

Oils improve

Stocks favoured for the call included Jessups, Standard Chartered, Combined Technologies, Sycamore, Sears, Cowan de Highlands & Lowlands, Kuala Kapong, MINES (14) Cons. Modderfonteins, Grootviei, Lastla, Winkelhack, Doomfontein, Southvaal, Stilfontelo, Sastric Mines, F.S. Cons. Gold, Loraine, OFS Invs., Kitchonsr Mining, North Broken Hill, Swan Resources. Groot, Spong, North Kalgurii, Lasmo, Davy, Bejam, Raine Industries, Pepe, Trusthouse Forte, Marks and Spencer, Kwik-Fit, Cadbury Schweppes, ASDA-MFI, MEPC, Slough Estates,

RECENT ISSUES

EQ	UITIE	S			_		·	·	
issue Prive	Amount paid up Latest Romano	ğ)	Low	Stock	Ofeeing	+01	7. E	Obversel Gross	
9156 115 120 120 120 120 120 120 120 120 120 120	F.P. 25/4 F.P	187 118 187 93	151 : 80 : 85	Do. Deld. *Davies (D,Y.) Sp	115 161 82 82 82 11	+6 -4 +1	25.8	2.1 4.2.2 3.2.4 3.	JIL.

FIXED INTEREST STOCKS

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_	₹8]2 ₂	High	Low		04	
			274	041	ASDA Prop. 16/2% let Mt. Deb. 2011	255.	⊢-b
99,899		11/7	119				
\$100	F.P.		264				
68,256		254 164	1074				
95,527			1136	101	Goine Valley Water 10% Red Deb 96/88	105	T
	£10	3/7	1012	10	Do. 6348 Red. Pref. 92-94	16	
	£10	3/7	9812	081	Estates Prop. inv.10% 1st.htt.Deb.2511	9014	41
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44	F.P.	1	138n				
**	F.P.	! = 1	1003	100	Nethamukia Biria Soc. 1043 0/4/07	1004	
	F.P.	1 – 1	26;2				
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199,865	640	1/8	433				
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,		16.5	12010	1184	Security Trust Scattand 12% Det. Will	1204	
55	F.P.	23/5	108p	304	Snong 72 Cay Cam. Red. Pff	1040	
199.480	226	18/7	61 (6	243	19 5 701:9 Mort Deb 2016	233.34	
1	FB	23/5	129m	108	Ward White Cnv. Prf	118p	+5

RIGHTS OFFERS

		Latest Renunc.	1986		Stock	25	10
	48	clette	Nigh	LOW.		15	匚
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70 428	F.P.	2/5	165	118 561	Moleclea	345 865	-5

Renunciation data usually last day for dealing free of stamp duty. b Eigures based on prospectus estimates. g Assumed dividend and yield. F Foredast dividend cover on earnings updated by latest interim statement. N Dividend and Yield based on prospectus or other chicks estimates for 1967. R received estimates. I indicated dividends; cover mates to previous dividend; p/s mite based on latest annual seralogs. u Forecast, or estimated annualised dividend rate, cover based on previous year's earnings. Tissued by tender. I Official holders of ordinary shares as a "rights." If introduction. * I sensed by way of capitalisation. Flacing price. \$5 Reintroduced. It issued in connection where reorganisation marger or takeover. M Allotmant price. & Unlisted securities market. 35 Dealt in under Rule 536 (3). * Dealt in under Rule 536 (4) (a).

TRADITIONAL OPTIONS Deal- Deal- Declara- Settleings ings tion ment Apr.21 May 2 July 24 Ang 4 May 6 May 16 Ang 7 Ang 18 May 19 June 6 Ang 28 Sept 8 For rate indications see end of

Unit Trust Service

trials, WSL and Five Cals. A put was taken out in Polly Peck-but no doubles were reported. RISES AND FALLS

YESTERDAY

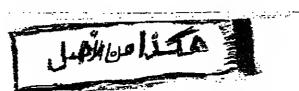
Ecobric, Norfolk Capital, Pavios

Plessey, Apricot Computers Abaco Investments, CH Indus

British Funds	Rises 76	Falls #1	Same 14
Foreign Bonds	12 627	17 284	42.
Financial & Prous	189	85	299
Oils	32	33	55.
Mines Others	34	39	106
Totals	Bos	625	1 306

LONDON TRADED OPTIONS CALLS PUTE July Oct. Jan. July Oct. Jan. May Aug. Nov. May Aug. Nov. 146 103 65 20 163 123 85 47 32 42 34 42 22 30 12 -90 68 47 25 107 86 67 50 76 62 48 48 25 65 48 50 16 Grand Met. (*373) 75 12 28 50 10 20 38 66 163 122 80 62 67 280 | 43 300 | 28 330 | 11 De Beer (*7,30) 90 18 6 27 18 10 85 2 16 33 58 36 45 87 34 20 14 7 Option 68 45 24 29 16 9 60 37 29 21

ing Index 1620.2; 10 am 1620.9; 11 am 1620.9; Noon 1626.5; 1 pm 1627.9; 2 pm 1628.8; 3 pm 1629.0; 3.30 pm 1628.6; 4 pm 1628.7



C=Call

TOTAL VOLUME IN CONTRACTS: 32,758.

8=8id

WORLD STOCK MARKETS

AUSTRIA GERMANY NORWAY Apr. 28 Price +	or Auri 28 Aust. F April 98 Yen — CA	ANADA
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2uperfos 275 0 0ivetti 17,760 810 8rown Boveri 1,97	+30 April 38 Price + er Yasuda Firo 615 -6 147.	73 Celanese 819 1834 1894 - 14 1 3550 111111
Apr. 28 Price + or Tero Assis	0 - 90 Alpa Electrie 2,056 + 10 Boustand Hides 0,84 0 - 350 Asahi Chem 1,930 - 20 Boustand Hides 0,84 0 - 175 Asahi Class 1,930 - 5 Cold Storage 2,58 - 0,61 Cold Storage 4,66 - D,62 Boustand Hides 0,84	Indices
BIC	Canso Comp	S and P Ind D IT 20 16,56 16.67 18,60 11.2 Strate 1272 4 196 1 197 5 1307,9127/11 1168,1 /21/41
OVER-THE-COUNTER Nasdag nations		N.Y.S.E. ALL COMMON RESES AND FALLS JSE Gold (28:675) JSE Gold (28:675) JSE Indust (28:978) April April April April (28:978) 7985 April April April April (28:978) 7985 April April April (28:978) 7985 April April April (28:978) 7985 April April (28:978) 7985 April April (28:978) 7985 April (28:978) 7985 April (28:978) 7985 April (28:978) April
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PicCata	ymcor 10 12 114g 12 Ventrex 162 71g 71g 71g ymreck 22 5'4 5'1g 5'1g Ventrex Vector 756 211g 205g - 3g Vector 20 205 151d 151g 151g 151g 151g 151g 151g 151	NYSE COMPOSITE PRICES O'as Close Price 77 Month 78 Month 78 Month 77 Month 78 Month
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A TO A DED OPTIONS	FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER	Incheape 358 +10 FALLS DIVAN HILTON SPIEPATON 63 +15 Fx 12% 13/17 £132% - %
EUROPEAN TRADED OPTIONS Tuesday Wednesday Thursday Friday	Compensation of acrailable to guests	RASEL/GENEVA/LAUSANNE/
Only in the Financial Times	Staying of the following SBM HOTELS Hotel de Paris · Hotel Hermitage · Hotel Mirabeau	HAND DELIVERY LUGANO/ZURICH SWITZERLAND

110 S.A.

Market Makers in Euro-Securities

New York • London • Paris • Geneva • Zurich • Hong Kong • Tokyo

Founded 1865 • Member SIPC

23% 17% 21% 16% 39% 13%

317 7 111 5 2 621, 121 621, 12 Continued on Page 49

247₂ 217₆ 225₉ 175₈ 397₂ 167₆ 231₈

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MISE COMPOSITE PRICES	AMEX COMPOSITE PRICES	Prices at 2pm, April 28
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## 15 Continued on Part 1	April Apri	2003 100 100 100 100 100 100 100 100 100

FINANCIAL TIMES WORLD STOCK MARKETS

WALL STREET

Discouraged by lacklustre profit trend

THE LACKLUSTRE trend of corporate profits for the first quarter discouraged Wall Street yesterday, writes Terry Byland in New York

Stock prices drifted lower in dull trading, and bonds proved uoable to hold early gains.

At 3pm the Dow Jones industrial average_was down 1.74 at 1.833.83.

Also unsettling the markets was the uncertain prospect for federal bonds, which expect to hear at mid-week the details of another record quarterly re-funding by the US Treasury, probably

totalling about \$25bo.

The fall in the dollar has cast doubts over the demand for US bonds from Japan, as well as making it more difficult for the Fed to ease credit policy. Many analysts, however, believe that sluggishness in the economy will force rates low-

Mr John Akers, president of IBM, told stockholders that the computer monarch - and the rest of the industry - had "not yet put the problems of 1985 behind us." General Motors disclosed further cuts in car production, as inventories remained uncomfortably high and a major financial data service reported that

STOCK MARKET INDICES

1,833.83*

811.21

801.14

877 37

1.365.3 1,357 9

NEW YORK

DJ Industrials

DJ Transport

DJ Utilities S&P Composite

FT-SE 100

FT-A 500

Tokyo SE

AUSTRALIA

Metals & Mins

All Ord.

AUSTRIA

BELGIUM

CANADA

DENMARK

FRANCE

Ind. Tendance

WEST GERMANY

FAZ-Aktien

HONG KONG

Hang Seng

Banca Comm

NETHERLANDS

ANP-CB5 Gen

ITALY

NORWAY

SPAIN

SWEDEN

WORLD

Madrid SE

SWITZERLAND

Swiss Bank Ind

MS Capital Int'l

(London) Silver (spot fixing)

Copper (cash)

Coffee (May)

Landon

Paris (fixing)

New York (June)

Zürich

Oil (Brent blend)

Oslo SE

SINGAPORE

Straits Times

SOUTH AFRICA

Credil Aklie

Belgian SE

Toronto Metals & Minls

FT-A All-share

FT Gold mines

FT-A Long gilt

LONDON

TOKYO

KEY MARKET MONITORS

Standard & Poors 500

April 28 Previous Year age 1.835.57 1,275.18

810.97

797,32

873.52

257.2

15.757.98 15,689.88 12,405.1

1.248.11 1,245.11 967.93

1,210.4

128.08

3.618.10 3.667.64 2.226.67

246.4

152.0

1.848.65 1.834.62 1.506.49

270.6

1.175 9

173.92

2,255.05 2,302.95 1,449.45

586.4

Prev

319.4

330.00p

n/a

April 28 \$344.75

\$343.60

S345.93

S345.00

S345.80

£2,228,50

Yearago

203.7

331.05p

£931.50

511.85

\$345.00

\$344.25

\$344.46

\$344.70

£2,261.00

177.03

580.5

April 25

319.6

COMMODITIES

GOLD (per ounce)

570.60 796.65

752.88 757.84

721.67 426.05 2,193.2 1,235.7

1,609.33 1,609.33

530.3

586.25

182.18

968.5

622.24

683.19

508.6

10.60

79.05

192.15

215.5

276.76

78.1

1,622.8 1,295.3

quarterly profits from US corporations to date are nearly 10 per cent down on

the preceding quarter.

There was little selling pressure, but prices began to crumble as the session progressed without any sign of renewed buying from the major institutions. A further fall in the Dow Transporta-

tion average heightened worries that tha inability of this index to make progress reflects underlying softness elsewhere in the market.

A further easing in the dollar took the top off bond prices at ooon, and stocks extended early falls.

IBM sbaded \$% to \$158% in moderate trading. Other computer stocks also weakened, NCR taking a knock of \$1%

Among the Detroit stocks, General Motors gained \$\% to \$81\%, but Ford, down \$\% to \$79, and Chrysler, down \$1 to \$37% saw sellers.

The Dow average was weakened by selling of tobacco stocks after a district judge appeared to overrule the recent court judgment that manufacturers are protected from liability suits by the health warnings printed on cigarette

Philip Morris fell \$1% to \$63 and R. J. Reynolds \$11/4 to \$441/4. But neither suffered massive selling, and the market

expects the legal wrangle to continue.

The Dow was belped, bowever, by renewed strength in Merck, the pharmaceutical leader which benefits from a lower dollar.

Features among the financials in-cluded the first trading report from Mor-gan Stanley since its public quotation. The stock edged up \$\% to \$76\% in minimal turnover.

CURRENCIES

Previous

6.9475

1.8215

2.463

1.385

INTEREST RATES

US BONDS

6.897 10015s

7.508 1097/32

100%

7.568 1201% 7.519

7.45 7.29 7.02 7.44

8.00

Price

94.14 93.98 93.98

93.38 93.37 93.34

93.19 93.20 93.08 93.20

126-17 127-00 125-29 126-25

7.418

Day's change

+0.62

+0.45

+ 0.56

April 28

FINANCIAL FUTURES

Latest

94.1

Certificates of Deposit (IMM)

US Treasury Bonds (CBT)

STERLING

2.14 2.1295

1.538

258.5

10.685

2.8025

10%

6.91

Day's

-0.08

-0.09 -0.09

-0.10

Yleid

April 28 Previous

260.0

10.73

2.8125

US DOLLAR

6.8975

1.808

2.442

1.3775

3-month offered rate

offered rate)

Treasury

15-30

US Fed Funds US3-month CDs

1988 1993

Source: Harris Trust Savings Bank

143.44 134.73

179.39

Source: Merrill Lynch

3% July 1990

10% Mar 1993

SCBT South Central 10% Jan 1993

Diamond Sharnrock

9% March 2016

8% April 2016

Citicorp

CHICAGO

US Tre

June

Sept

LONDON

8% 32nds of 100%

\$1m points of 100%

\$1m points of 100%

51m points of 100%

20-year Notional Gilt

£50,000 32nds of 100%

Latest available figures

Great Western Financial, the large thrift group, jumped \$1% to \$43% after dropping its offer to buy Citadel Hold-

ing.
Horizon Bancorp gained \$1% to \$46% on reports that Chemical NY Bank plans to buy a New Jersey bank when legislation permits. Stock in FMC, the machinery and

chemicals group, rose \$3% to \$99% after the board improved the cash portion of their recapitalisation plan. The flow of company results slack-ened. Atlantic Richfield, bowever, stood out with a fall of \$1% to \$52% after dis-

closing a sharp fall in profits. Singer Manufacturing lost \$1/4 to \$511/4 on the trading results, while MCA, the firms and records company, eased \$1/4 to

\$52% despite good earnings.

Bond prices began to weaken at midsession despite a further round of liquidity help from the Federal Reserve which made four-day system repurchase arrangements - a strong indication that the board wants federal funds to remain

below 7 per cent. Short-term rates shaded lower behind funds rate at 61% per cent Concern over the attitude of Japanese investors remained intact, and the market will keenly watch next week's Treasury auctions for signs of foreign investment demand.

Weak dollar generates shock waves

THE WEAKER DOLLAR sent shock waves across the European hourses yes-terday while end-of-month selling pressure countered much of the effect of re-

ductions in key market interest rates. Frankfurt fell for the fifth consecutive session, with the Commerzbank index down a further 58.5 points to 2,134.7. Reports that the Bundesbank and the Bank of Japan had intervened to sup-port the dollar, which hit a five-year low against the D-Mark, only emphasised the fragility of the US currency's posi-

Car makers suffered heavily, but the retreat soon spread to all sectors. Daimler took a DM 28 fall to DM 1,447, only to be eclipsed by a proportionally sharper DM 27 drop to DM 555 for BMW. VW did not fare well despite last week's batch of news and closed DM 20.50 cheaper at

Deutsche led the banking sector sharply lower with a DM 13 fall to DM 851.50 while Commerzbank closed DM 7.50 weaker at DM 341.

Kaufhof managed to lose only DM 1 to DM 456 ahead of its dividend news released after the close while Horten fell DM 12 to DM 197 despite a strong forecast for the current year.

Bonds were dull as the Bundesbank sold DM 15.1m worth of paper Amsterdam saw leading internationals suffer on the weaker dollar. The opening shots in the official election campaign tended to act as a diversion, pushing many investors to the sidelines. Akzo, which is still locked in battle

to FI 164 as Unilever declined FI 5 to Westland-Utrecht, the troubled mortgage bank, was suspended at Fi 50 while

with Du Pont over patent rights, fell F1 5

FGH lost 40 cents to FI 44.40. The bond market was also inhibited by the election campaign and tomor-

row's bank holiday. The % percentage-point cut in the key intervention rate to 7% per cent hy the Bank of France failed to support Paris as profit-takers continued to make inroads on last week's gains.

Screg suffered one of the sharpest falls with its 7.4 per cent drop to FFr 88 as Darty turned FFr 142 lower - a 4.4 per cent fall - to FFr 3,068.

Peugeot's FFr 20 advance to FFr 1,040 buoyed the motor sector while Pernod at FFr 1,235 added FFr 48.
Zurich beld steady despite the dollar

as most export-sensitive stocks resisted any sell-off pressure. Swissair was one of the few dollar-exposed issues to suffer with its bearer

stock off SFr 50 to SFr 1,900 and the registered form down SFr 40 at SFr 1,530. Steady financials saw Union Bank unchanged at SFr 5,430 while Swiss Re moved against the trend in slightly easier insurance stocks with a SFr 150 advance to SFr 18.750.

The expected surge in activity in Milan following the cut in the discount rate on Thursday and the market boliday on Friday failed to materialise. Prime-rate cuts were announced after the close. Institutional buyers remained active

as individual investors started to move out of select blue chips and industrials. Fiat managed to resist most of the pressure and actually posted a small L33 rise to L12,400, and Montedison edged L9 higher to LA,369. Snia dipped L20 to

The profit-takers continued to hold the high ground in Brussels as unease over the country's budget deficit and fears over expanded industrial unrest grew. The Belgian Stock Exchange in-dex retreated 51.44 to 3,616.20 despite the release of very good industrial production figures for January.

Stockholm was also dominated hy profit-takers with Fermenta losing SKr 14 to SKr 175 and Volvo SKr 7 cheaper at Skr 389.

Oslo staged a broad retreat in light trading as Elkem fell NKr 10.50 to NKr 109 on poor first-quarter results. Banks led the rally io active Madrid

Settling into a golden holiday week

days began in Tokyo yesterday, but trading was lacklustre with shares advancing only modestly, writes Shigeo Nishiwaki of Jiji Press.

The Nikkei average gained 50.59 from last week's close to 15,757.93. Volume totalled 409.51m shares compared with Friday's 582.85m. Advances led declines 467 to 353, with 146 issues unchanged.

Iovestors retreated to the sidelines because they were uncertain about the overall market outlook, although they expected either high-technology or domestic demand-related stocks to lead after the Tokyo summit of seven major industrial democracies begins on May 4.

Some blue chips were popular around midday supported by investment trusts' buying. Hitachi rose Y18 at one stage hut closed only Y10 higher at Y920. The issue, topping the active list with 21.54m sbares changing hands, attracted buy orders for 3m sbares from investment

JVC jumped Y120 to a record Y3,070, eclipsing its previous peak of Y3,000. But Matsushita Electric Industrial finished Y10 lower at Y1,640 after gaming Y20 earlier.

Investors bunted issues with hidden incentives to seek short-term capital gains. Tohishima, the second husiest is-sue with 21.48m shares traded, leaped Y27 to Y810 while Shimizu Construction, third with 20.84m shares, surged Y24 to Y594, both on rumours that speculators were concentrating on these issues.

Shinko Electric rose Y10 to Y390 on talk of its shares being cornered. Toya Soda, seventh with 7.32m shares,

advanced Y8 during the session, helped by reports on mass production of human growth hormone. But it closed Y1 lower at Y391. Toagosei Chemical, Y25 up at ooe stage, came under profit-taking pressure later to finish Y3 higher at

Meiji Milk added Y18 to Y598, Nitto Boseki Y29 to Y669 and Rhythm Watch Y20 to Y415. But electric power and gas issues fell

from favour, with Tokyo Electric Power sbedding Y30 to Y3,910 and Tokyo Gas

Many construction issues firmed

day's 5.100 per cent.

The dealing sections of banks and securities bouses shifted their buying to the 5.1 per cent bond from the benchmark 6.2 per cent bond due in July 1995, which is priced at about Y10 above the par value of Y100. The price of the 5.1 per cent bond is now around par.



INSTITUTIONS injected enthusiasm into Hong Kong where prices ended mixed. The Hang Seng index jumped 14.03 to 1,848.65, repeating Friday's record performance.

Banks were targeted by investors fol-

Hongkong Telephone put on 20 cents to HK\$11.30 on rumours that its main sbarebolder, Cahle & Wireless, may be interested in a takeover.

SINGAPORE

INVESTORS continued to wait on the

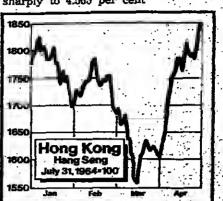
S\$1.02 on a turnover of only 16.000

5 cents lower at S\$1.75:

slightly although huying was extremely light. Kajima gained Y4 to Y725.

On the bond market, buying centred on the 5.1 per cent government bond maturing in March 1996, with the yield falling to 4.820 per cent from last Satur-

The yield on the 6.2 per cent bond rose



HONG KONG

lowing a rally in Hongkong Bank shares last week. Hang Seng Bank surged HK\$1.50 to HK\$40.00 ex-all, and Bank of East Asia gained 70 cents to HK\$20.70 while Hongkong Bank was unchanged at HK\$7.30 ex-all.

sidelines ahead of today's flotation by Cathay Pacific Airways.

Prices fell across the board, and the

Straits Times industrial index slumped 7.26 to 563.34, its lowest level since Au-Cycle & Carriage shed 10 cents to

North Borneo Timbers dropped 9 cents to 77.5 cents, Singapore Press gave up 10 cents to \$35.65 and Haw Par ended LONDON

BLUE-CHIP industrials edged higher, but most other sectors failed to follow the lead in London as the new trading account got under way a half hour earlier official dealings now commence at

Bids held the centre stage. A share exchange offer for Wedgwood pushed it 25p higher to 368p while Boots gained 6p to 269p on persistent takeover specula-

The FT-SE 100, which fell 24 at the start of trading, recovered to end 6.2 higher at 1,628.80, and the FT Ordinary share index put on 7.4 to 1.365.30. Chief price changes, Page 47; Details, Page 46: Share information service.
Pages 44-45

AUSTRALIA

THE POST-HOLIDAY blues depressed prices in Sydney as trading resumed atter Friday's Anzac Day break. Most sec-tors ended mixed to lower with some institutional demand registering among industrial shares.

BHP dropped 18 cents to A\$7.32 after a 20-cent dividend and in the light of no news regarding its takeover. After the market closed, bowever, a Perth court gave Mr Robert Holmes a Court the suitor, the green light for his AS2bn of-

fer, ending months of legal wrangling. Bell Resources dropped 5 cents A\$4.30 ex-rights while parent company Bell Group added 10 cents to ASS 10.

SOUTH AFRICA

LACK of interest and any fresh factors left shares easier in Johannesburg. Gold shares unitspred the overall trend.

Kinross, at the more expensive end of the market lost R1 to R41 while cheaper issue Elsburg gave up 25 cents to R7. Among mining financials Anglo American shed R1.25 to R42.25, and in platinums Impala ended 50 cents lower

Diamond share De Beers lost 40 cents to R23.30, and other mining issues were steady while industrials ended mixed.

CANADA

OIL AND INDUSTRIAL issues led Tor-onto higher while golds tended to drift.

After bouncing back into the black and forecasting a moderate full-year profit, Noranda remained steady at

Utilities were steady in Montreal, but-banks and industrials edged down-

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